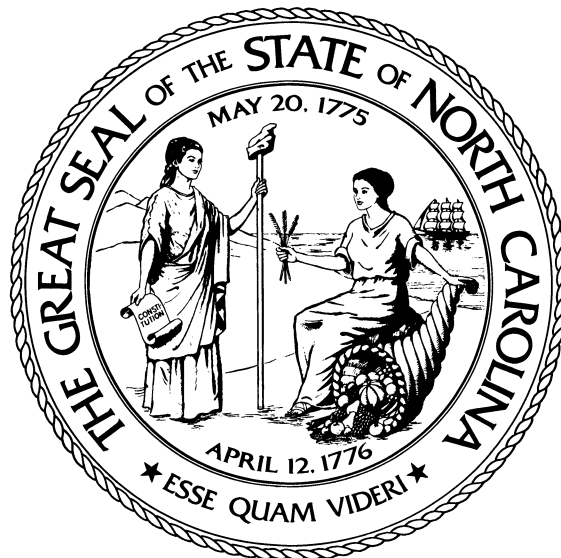


**POLICY AND PROCEDURES  
PERTAINING TO PAYMENTS AND  
COMPENSATION OF  
FOREIGN NATIONALS, GOVERNMENTS,  
AND CORPORATIONS**



**March 2011**

# Policy and Procedures Pertaining to Payments and Compensation of Foreign Nationals, Governments, and Corporations

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# **Policy and Procedures Pertaining to Payments and Compensation of Foreign Nationals, Governments and Corporations**

## **POLICY:**

The reporting and withholding of taxes associated with payments made to non-U.S. citizens by universities, community colleges, and other agencies of the State of North Carolina are in accordance with the laws and regulations of the U.S. Citizenship and Immigration Services (USCIS) and the Internal Revenue Service (IRS). The U.S. Citizenship and Immigration Services define what payments may be made to aliens who perform services in the United States. The Internal Revenue Service defines which payments made to aliens are reported and subject to taxes, as well as establishes the tax rates for those payments. In depth discussion of the alien tax system is provided in Appendix I.

Note: Although the preferred term for identifying a person who is not a U.S. citizen is “Foreign National”, the Internal Revenue Service and the U.S. Citizenship and Immigration Services use the word “alien”. Therefore, all non-U.S. citizens will be referred to as “aliens” in this text to minimize confusion with the federal government publications.

## **Procedures for Paying or Compensating an Alien:**

The 6-step process detailed below must be followed to ensure that aliens are paid according to prevailing tax and immigration rules/regulations with appropriate taxes withheld and payments properly reported.

This procedure is intended to provide guidance in the majority of situations facing the state entities. The procedure is not inclusive. Tax and immigration laws are voluminous. Any situations not covered by this procedure should be handled on a case-by-case basis and receive additional guidance from the Office of the State Controller.

### **Step 1 - The Payee - Payment Eligibility and Tax Residency Status**

A Foreign National Information System Data Gathering Form, Appendix IV should be completed and presented with copies of the specified immigration documentation. This information is used to:

- Determine eligibility for payments to be made based on the type of visa issued. Refer to the Visa Matrix (Appendix V). (An explanation of U.S. Immigration Law as it applies to employment can be found in Appendix II and descriptions of the more commonly used nonimmigrant visas are discussed in Appendix III.)
- Determine if the Payee's tax status is Nonresident Alien or Resident Alien. Refer to the Substantial Presence Test (Appendix VI)

### **Step 2 - The Type of Payment**

The type of payment made to the alien falls into four primary categories:

- 1) Dependent personal services: Wages, service related scholarship/fellowship/assistantship payments, travel reimbursements;
- 2) Independent personal services: Consulting fees, guest speaker, honoraria
- 3) Scholarships/Fellowships:
  - a) Qualified component (for degree candidates): Educational expenses, tuition, fees, books, etc.
  - b) Nonqualified component: Living expenses, stipend, housing allowances
- 4) Miscellaneous Income Types: Prizes and awards, royalties, etc.

### Step 3 - The “Source” of the Income

As important as the recipient’s tax status, the payor of the income and their residence also has bearing for determining U.S. federal reporting and taxation.

A **resident alien’s** income is generally subject to tax in the same manner as a U.S. citizen. Therefore, worldwide income is reported.

A **nonresident alien** is usually subject to U.S. income tax only on U.S. source income. The U.S. source payor is responsible for reporting income paid to the nonresident alien. Refer to the ***Summary of Source Rules for Income of Nonresident Aliens*** (Appendix VII).

A determination is made as to the source of income in the following manner:

- For compensation paid to employees and independent contractors, income is sourced to the country where services are performed.
- For non-compensation payments such as scholarships/fellowships, grants, prizes, and awards, the source of the income is the residence of the payor regardless of who actually disburses the funds. If the activity is performed outside the United States, it is not considered U.S. sourced income.

### Step 4 - Is the Payment subject to Income Tax Withholding?

Income paid to a **resident alien** follows the same withholding tax rules as U.S. citizens. The federal withholding rates for resident aliens are the same as rates for U.S. citizens.

All U.S. sourced income paid to a **nonresident alien** is taxable with the exception of interest income and qualified scholarships/fellowships. The federal withholding rates for nonresident aliens are:

Type of Income	Federal Tax Rate
• Compensation (employees)	Standard graduated rates*
• Nonqualified Scholarships / Fellowships (F, J, M, Q visa holders)	14%
• Travel Grants (Expense)	14%
• Housing Allowances	14%
• Nonqualified Scholarships / Fellowships (all other visa holders)	30%
• Independent personal services (e.g. consulting fees, guest speaker fees, honoraria, awards, travel reimbursement and prizes)	30%
• Royalties	30%
• Prizes and awards	30%
• All other payments	30%
* Nonresident alien employees must complete the federal withholding form, W-4, in a specified manner.	

Tax forms and other documents the alien must complete for withholding purposes are referenced in Appendix VIII.

**Tax Treaties** - If an alien is a resident of a country that has an income tax treaty with the United States AND the treaty contains an article covering the primary activity the alien is being compensated

for, then the alien may exempt part or all of his income from U.S. federal withholding taxes as specified in the article. In depth information is referenced in Appendix IX. Countries with tax treaties containing applicable articles are referenced in Appendix X.

The alien must file a Form 8233, *Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual* and statement -if required- with the designated reporting agency.

**Step 5 - Is the Payment subject to Social Security and Medicare Taxes (FICA)?**

Yes, all aliens, regardless of resident or nonresident tax status are subject to the same social security and Medicare taxes for wages as U.S. citizens. Wages earned in the employment groups as defined by the Federal Insurance Contribution Act is the income subject to these taxes.

As a general rule, the only aliens exempt from social security and Medicare taxes are F-1, J-1, M-1, and Q-1 visa holders while they are in nonresident tax status. Note: If one of these designated visa holder changes to resident tax status during a year, he is subject to social security and Medicare taxes for the entire year on his subject wages. More information concerning Federal Insurance Contribution Act taxes is referenced in Appendix XI.

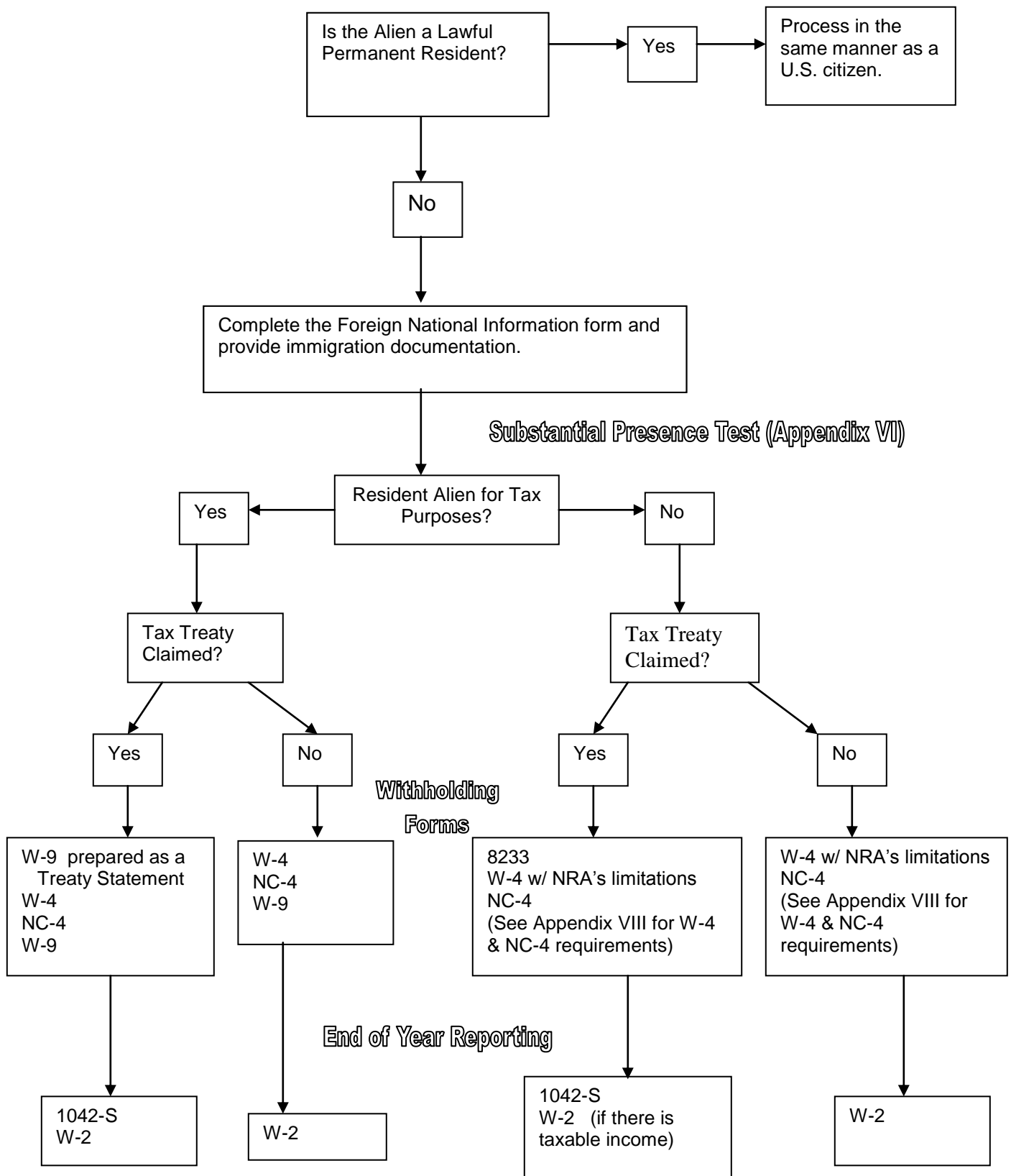
**Step 6 - Determining if a Payment is Reportable and How to Report It**

**Resident alien** payments are reported to the federal government in the same manner as U.S. citizens. Forms issued to the resident alien regarding reportable income are the Form W-2, *Wage and Tax Statement* for wages and the various Forms 1099 for non-wage compensation. Note: If the resident alien uses a tax treaty, he will receive a Form 1042-S for tax reporting purposes.

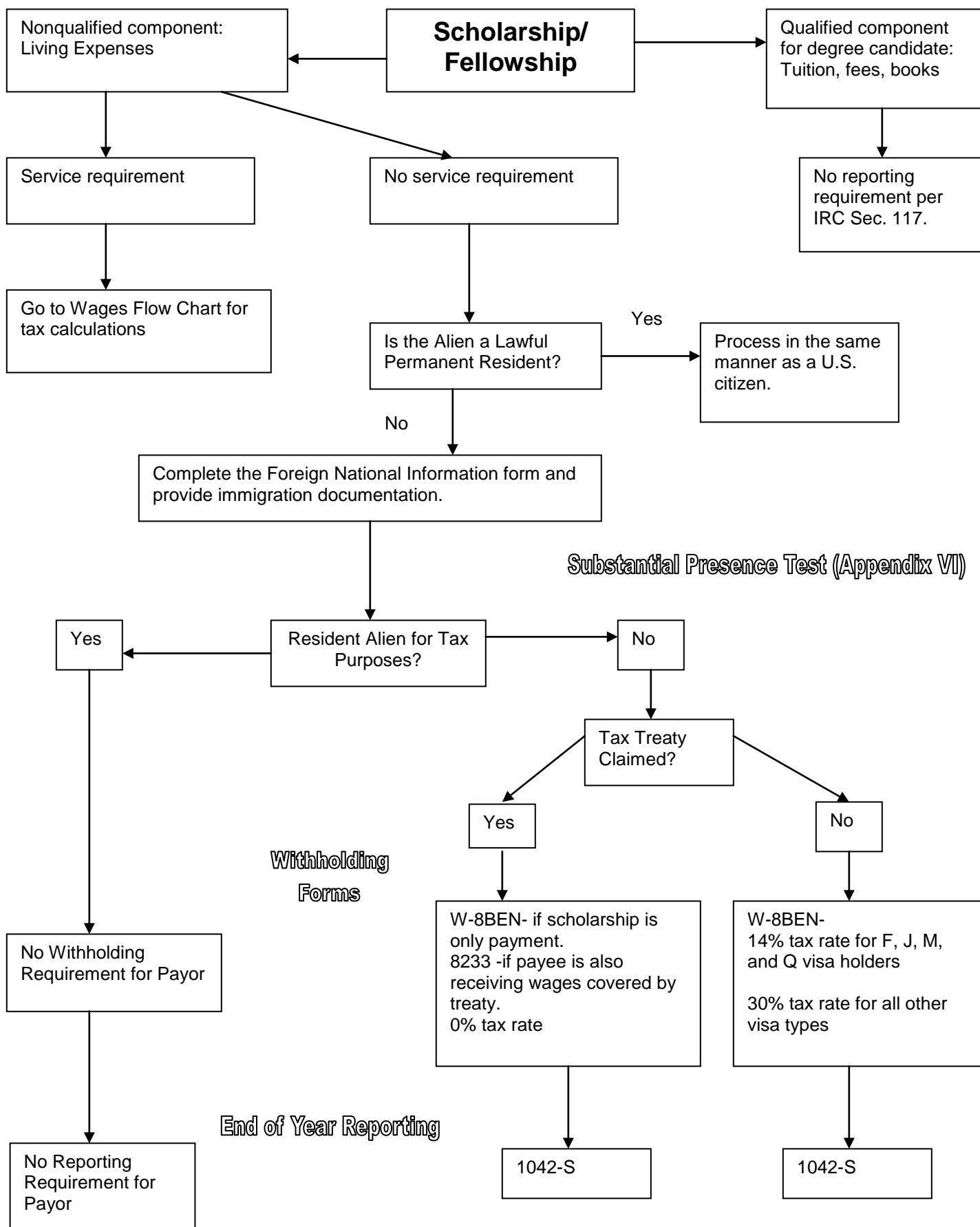
**Nonresident alien** payments subject to taxes are reported to the federal government. Forms issued to the nonresident alien are Form W-2, *Wage and Tax Statement* for wages subject to income taxes and/or FICA taxes and the Form 1042-S, *Foreign Person's United States Source Income Subject to Withholding* for non-wage compensation. Form 1099 cannot be issued to nonresident aliens.

Appendix XII lists the reporting requirements for the withholding agent at year-end.

## FLOW CHART FOR WAGE COMPENSATION TAX FORMS AND REPORTING

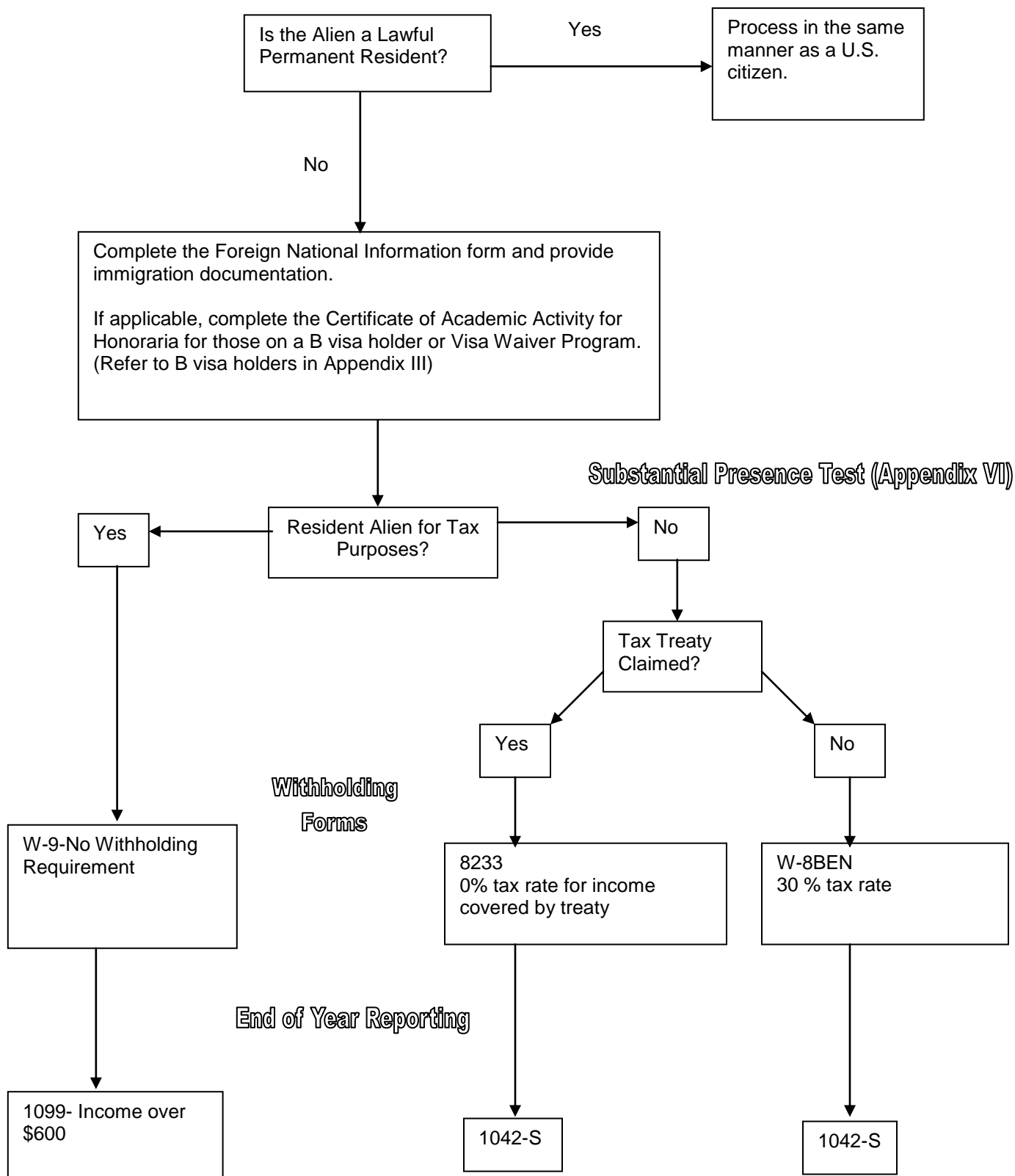


# FLOW CHART FOR SCHOLARSHIP/FELLOWSHIP TAX FORMS AND REPORTING



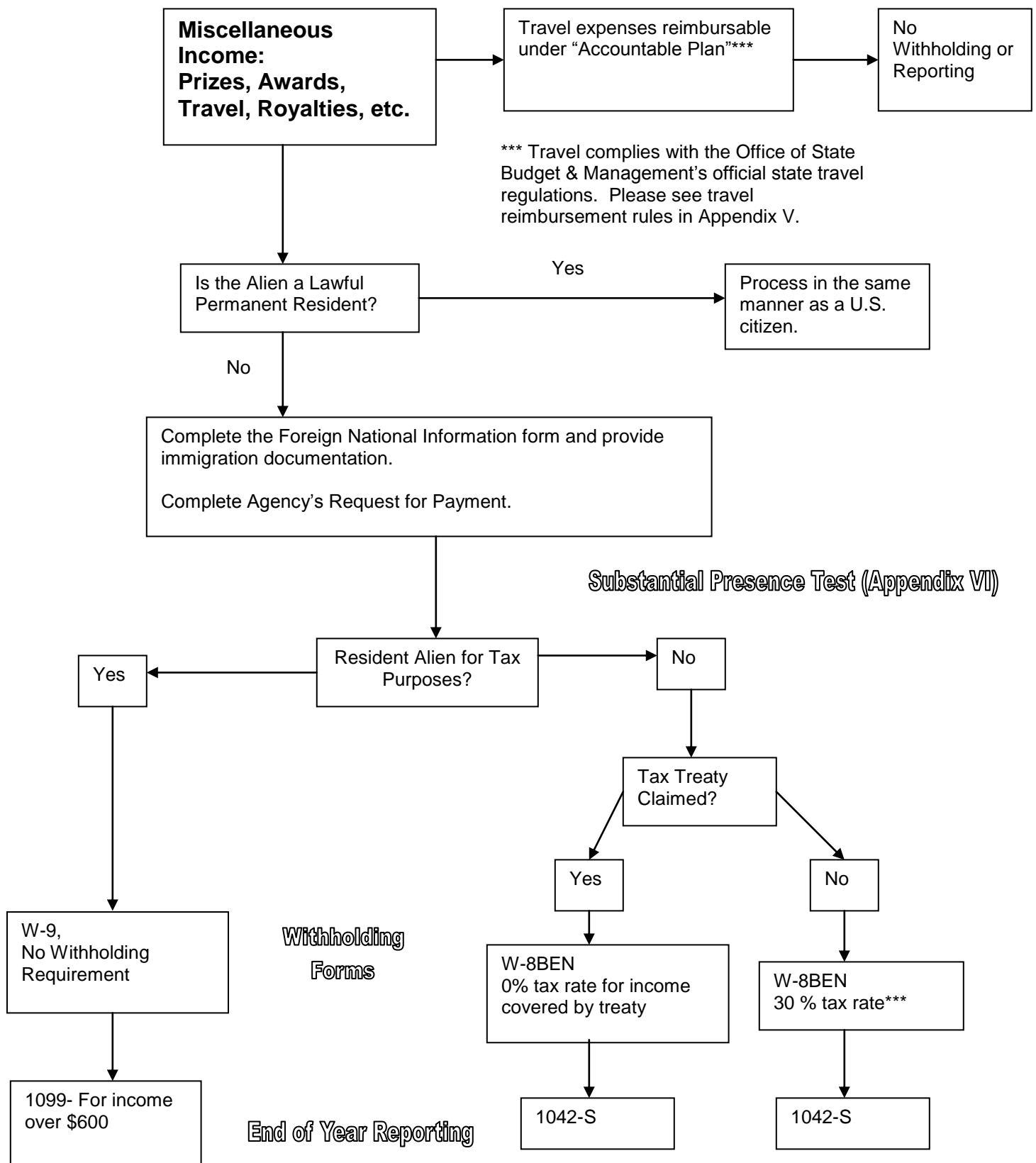


# FLOW CHART FOR INDEPENDENT PERSONAL SERVICES (CONTRACTORS\* AND HONORARIA) TAX FORMS AND REPORTING



\* Determination has been made that the individual is not an employee and satisfies the requirements for independent contractors.

**FLOW CHART FOR MISCELLANEOUS INCOME: PRIZES, AWARDS, TRAVEL EXPENSES, AND ROYALTIES TAX FORMS AND REPORTING**



## Withholding of Tax on Foreign Entities other than Individuals

The reporting and withholding of taxes associated with payments made to non U.S. entities, besides individuals by universities, community colleges, and other agencies of the State of North Carolina, are in accordance with the laws and regulations of the Internal Revenue Service (IRS).

A 3-step process is used to determine the withholding agents reporting and taxing of payments referred to as “NRA withholding”. The steps are:

### Step 1 - The Payee - Tax Residency Status

NRA withholding applies only to payments made to a payee that is a foreign person. It does not apply to payments made to U.S. persons. The types of foreign entities besides nonresident aliens that receive income from U.S. payors include foreign corporations (with or without U.S. branches), foreign partnerships, foreign trusts, foreign estates, foreign governments, and international organizations. Payments made to U.S. agents of foreign persons are subject to NRA withholding.

To determine if a non-U.S. entity is classified as a foreign person use the following Standards of Knowledge:

- (1) Actual Knowledge of the status of the Payee, or “reason to know otherwise” (i.e., information on the status of the payee is available if a reasonable effort is made to secure it);
- (2) Documents presented by, for, or about the payee;
- (3) The filing of a withholding certificate by the payee (Forms W-8BEN, W-8ECI, W-8EXP, W-8IMY, 8233, or W-9); or
- (4) Presumption Rules: The regulatory presumptions listed at Treas. Reg. 1.1441-1(b) (3) (iii) et seq. See the **Presumption Rules in the Absence of Documentation** table on page 11.

### Step 2 - The Income Subject to NRA Withholding

Generally, a payment is subject to NRA withholding if it is from sources within the United States and it is either:

- Fixed or determinable annual or periodical (FDAP) income, or
- Certain gains from the disposition of timber, coal, and iron ore, or from the sale or exchange of patents, copyrights, and similar intangible property.

Specific examples of FDAP income as well as income that are not subject to NRA withholding are found in IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

This income falls into one of two categories:

- Effectively connected income. Generally, when a foreign person engages in a trade or business in the United States, all income from sources within the United States other than fixed or determinable annual or periodical (FDAP) income is considered effectively connected with a U.S. business. FDAP income may or may not be effectively connected with a U.S. business. Or,
- Income not effectively connected. A payment is subject to NRA withholding if it is U.S. source income and it is either FDAP or certain gains.

### Step 3 - Withholding Requirements

Different kinds of income are subject to different withholding requirements.

#### Effectively Connected Income:

Foreign persons are generally subject to U.S. tax at a 30% rate on income they receive from U.S. sources. For exceptions to the 30% withholding, refer to the **Withholding Tax Rates** table below. ECI is taxed after deductions at single or married filing separately rates. A nonresident alien cannot claim the standard deduction and with few exceptions, can claim only one personal exemption. ECI taxable income is reportable on the Form 1042 and Form 1042-S.

**Withholding Exemption:** If Form W-8ECI, *Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected with the Conduct of a Trade or Business in the United States* is received, the withholding agent does not need to withhold tax on nor report ECI income. This form indicates that:

- The foreign payee is the beneficial owner of the income,
- The income is effectively connected with the conduct of a trade or business in the United States, and
- The income is includible in the payee's gross income.

This withholding exemption applies to income for services performed by a foreign partnership or foreign corporation (unless item (4) below applies to the corporation). The exemption does not apply to:

1. Pay for personal services performed by an individual,
2. Effectively connected taxable income of a partnership that is allocable to its foreign partners,
3. Income from the disposition of a U.S. real property interest, or
4. Payments to a foreign corporation for personal services if all of the following apply:
  - a. The foreign corporation otherwise qualifies as a personal holding company for income tax purposes (Refer to IRC Section 542),
  - b. The foreign corporation receives amounts under a contract for personal services of an individual whom the corporation has no right to designate, and
  - c. 25% or more in value of the outstanding stock of the foreign corporation at some time during the tax year is owned, directly or indirectly, by or for an individual who has performed, is to perform or may be designated as the one to perform, the services called for under the contract.

#### Income Not Effectively Connected:

Foreign persons are generally subject to U.S. tax at a 30% rate on income they receive from U.S. sources. For exceptions to the 30% withholding, refer to the **Withholding Tax Rates** table on page 11.

**Tax Treaty:** The payee must provide the withholding agent Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding* to claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty, if applicable to the type of payment.

## **Foreign Governments and Certain Other Foreign Organizations**

### ***Foreign Governments***

Investment income earned by a foreign government is not included in the gross income of the foreign government and is not subject to U.S. withholding tax. Investment income means income from investments in the United States in stocks, bonds, or other domestic securities, financial instruments held in the execution of governmental financial or monetary policy, and interest on money deposited by a foreign government in banks in the United States. A foreign government must provide a Form W-8EXP, *Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding* or, in the case of a payment made outside the United States to an offshore account, documentary evidence to obtain this exemption.

Investment income that is paid to a foreign government is subject to reporting on Form 1042-S. Income received by a foreign government from the conduct of a commercial activity or from sources other than those stated above, is subject to NRA withholding. In addition, income received from a controlled commercial entity (including gain from the disposition of any interest in a controlled commercial entity) and income received by a controlled commercial entity is subject to NRA withholding.

A government of a U.S. possession is exempt from U.S. tax on all U.S. source income. This income is not subject to NRA withholding. These governments should use Form W-8EXP to receive this exemption.

### ***International Organizations***

International organizations are exempt from U.S. tax on all U.S. source income. This income is not subject to NRA withholding. International organizations are not required to provide a Form W-8 or documentary evidence to receive the exemption if the name of the payee is one that is designated as an international organization by executive order.

IRC Section 7701(a) (18) provides the definition of international organization.

### ***Foreign Tax Exempt Organizations***

A foreign organization that is a tax exempt organization under section 501(c) of the Internal Revenue Code is not subject to a withholding tax on amounts that are not income includible under section 512 of the Internal Revenue Code as unrelated business taxable income. However, if a foreign organization is a foreign private foundation, it is subject to a 4% withholding tax on all U.S. source investment income. For a foreign tax-exempt organization to claim an exemption from withholding because of its tax exempt status under section 501(c), or to claim withholding at a 4% rate, it must provide Form W-8EXP. However, if a foreign organization is claiming an exemption from withholding under an income tax treaty, or the income is unrelated business taxable income, the organization must provide a Form W-8BEN or Form W-8ECI. Income paid to foreign tax-exempt organizations is subject to reporting on Form 1042 and Form 1042-S.

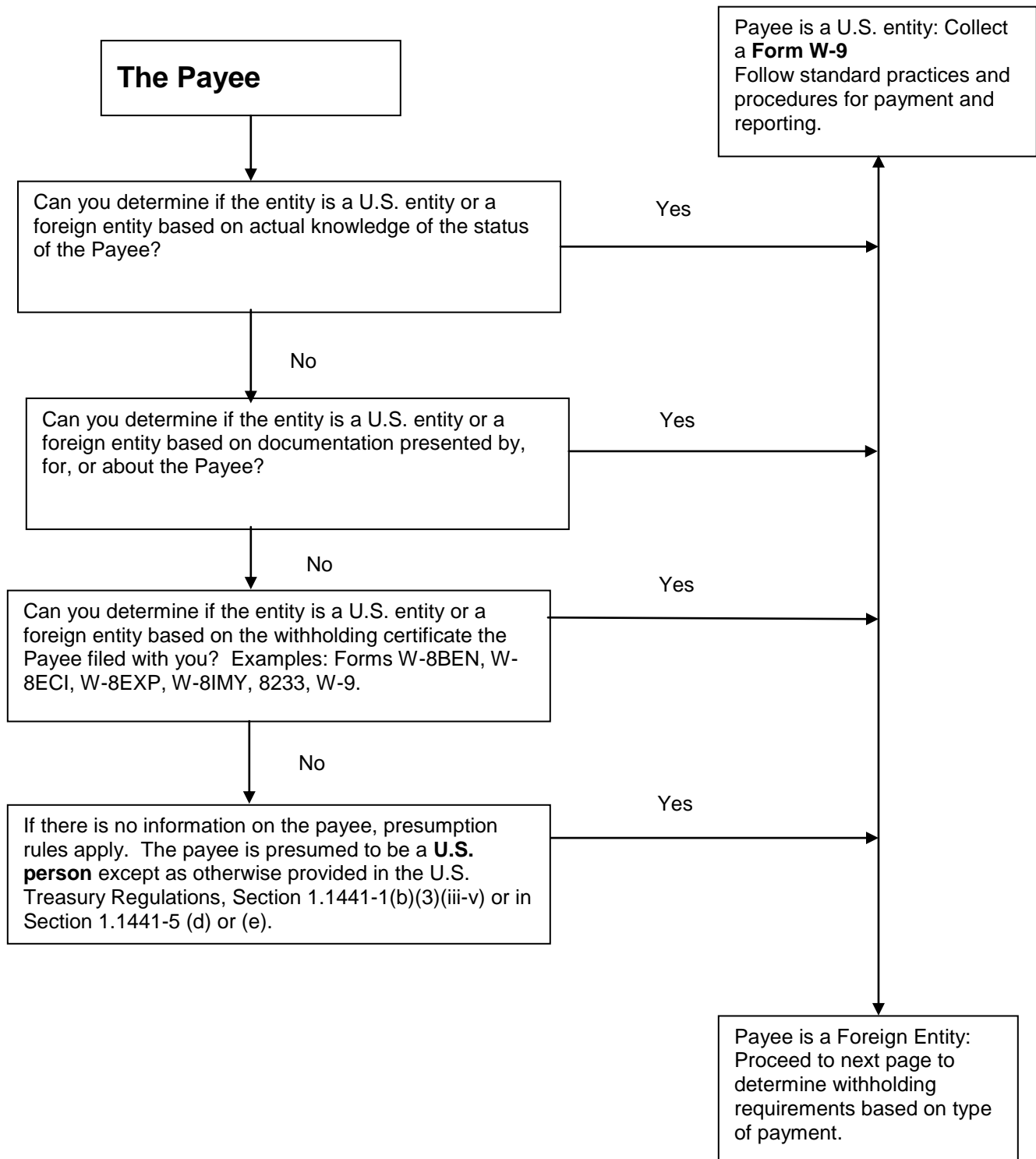
## Presumption Rules in the Absence of Documentation

For the presumption rules related to	See regulation section
Payee's status	1.1441 – 1(b)(3); 1.6049 – 5(d)
Effectively connected income	1.1441 – 4(a)(2)
Partnership and its partners	1.1441 – 5(d)
Estate or trust and its beneficiaries or owner	1.1441 – 5(e)(6)
Foreign tax-exempt organizations (including private foundations)	1.1441 – 9(b)(3)

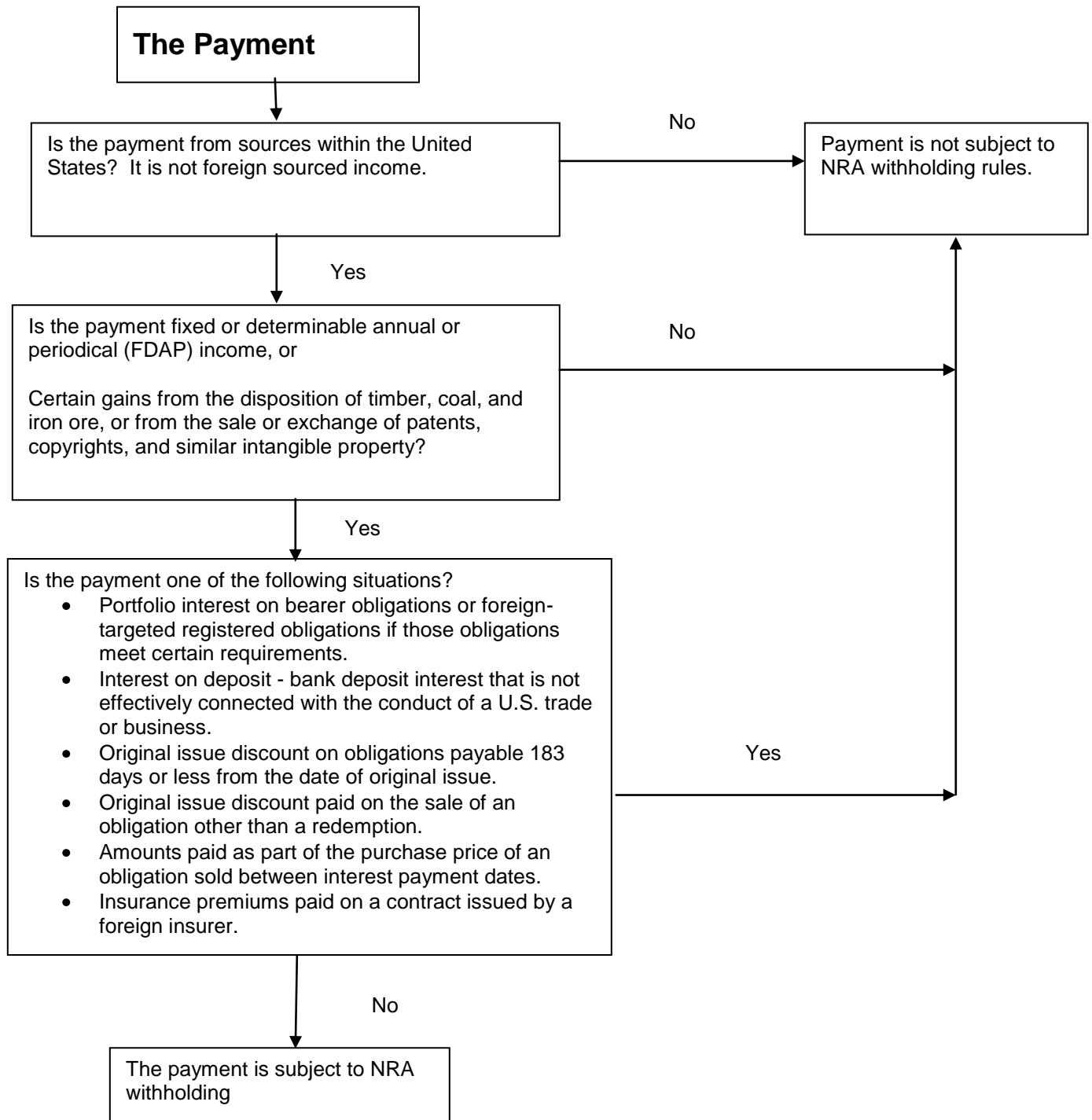
## Withholding Tax Rates

Type of Income	Rate
Taxable part of U.S. scholarship or fellowship grant paid to holder of "F" "J" "M" or "Q" visa (see <i>Scholarship and Fellowship Grants</i> , later)	14%
Travel Grants — payments and reimbursements for travel that's attributable to the study, training, or research of the recipient for which no services are required in return. Reimbursements for travel expenses of an individual made to a third party rather than to or on behalf of the individual.	14%
Gross investment income from interest, dividends, rents, and royalties paid to a foreign private foundation	4%
NC 4% withholding tax on Contractors with ITINs	4%
Pensions — part paid for personal services (see <i>Pensions, Annuities, and Alimony</i> , later)	Graduated rates in Circular A or Circular E
Wages paid to a nonresident alien employee (see <i>Pay for Personal Services Performed</i> , later)	Graduated rates in Circular A or Circular E
Each foreign partner's share of effectively connected income of the partnership (see <i>Partnership Withholding on Effectively Connected Income</i> , later)	35%
Distributions of effectively connected income to foreign partners by publicly traded partnerships (see <i>Publicly Traded Partnerships</i> , later)	35%
Dispositions of U.S. real property interests (see <i>U.S. Real Property Interest</i> , later)	10% (or other amount)
All other income subject to withholding	30%

## Step 1- Determining the tax status of the Payee

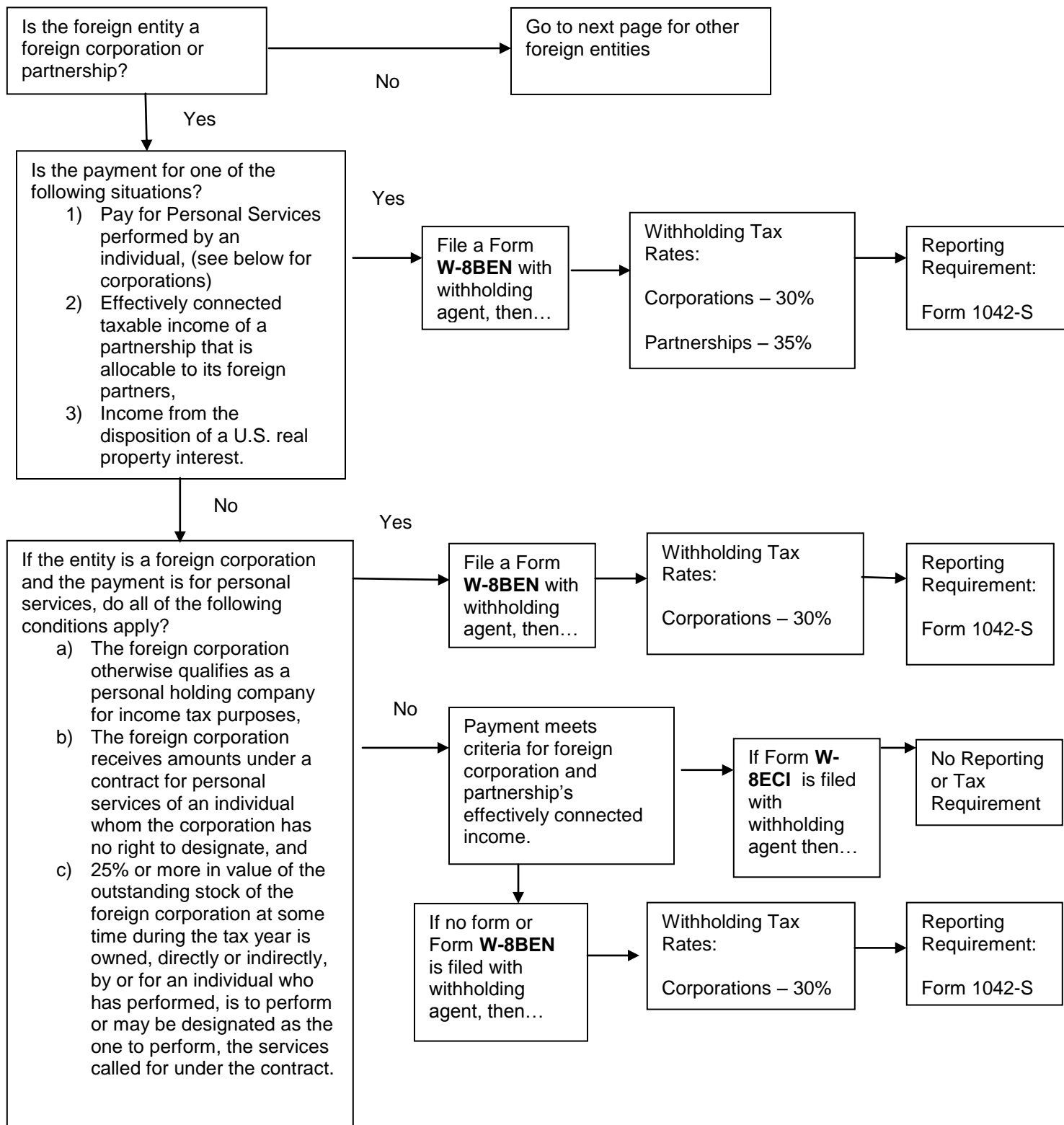


## STEP 2- DETERMINING IF INCOME IS SUBJECT TO NRA WITHHOLDING

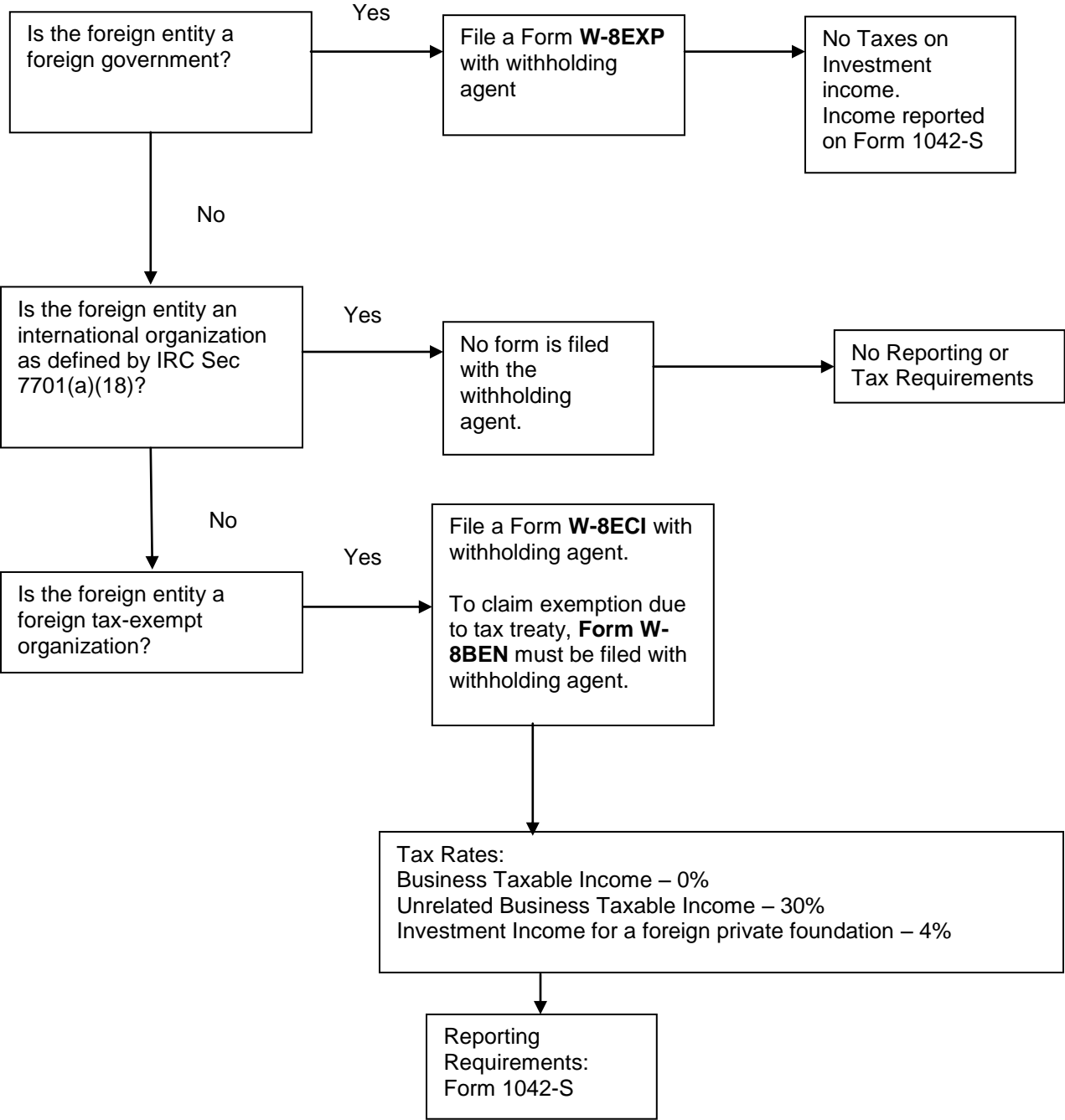




**STEP 3- PROCESSING, REPORTING, AND TAXING EFFECTIVELY CONNECTED INCOME PAYMENTS SUBJECT TO NRA  
WITHHOLDING – FOREIGN CORPORATIONS AND FOREIGN PARTNERSHIPS**



STEP 3- PROCESSING, REPORTING, AND TAXING EFFECTIVELY CONNECTED INCOME PAYMENTS SUBJECT TO NRA  
WITHHOLDING – OTHER FOREIGN ENTITIES



## **APPENDIX I**

### **Nonresident Alien and Resident Alien Tax System – General Information**

Generally, every person born or naturalized in the U.S. and subject to its jurisdiction is a citizen. All other individuals are referred to as "aliens" for immigration and taxation purposes. Aliens are classified as either "nonresident aliens" or "resident aliens". Section 1441 of the Internal Revenue Code provides a separate tax system with a different set of tax rules and regulations for individuals deemed to be nonresident aliens. Agencies making payments to nonresident aliens are subject to different tax withholding, reporting and liability requirements. It is important to understand that the definition of nonresident alien for tax purposes is different from that for immigration purposes. The special rules to determine whether or not an individual is a nonresident alien for tax purposes are included in this manual.

The general tax rule regarding nonresident aliens is that 30 percent must be withheld on all fixed and determinable payments of U.S. source income made to nonresident aliens unless the income is excluded under a specific provision in the Internal Revenue Code. Income includes, but is not limited to:

- Personal services of employees,
- Personal services of independent contractors (e.g. consulting fees, guest speaker fees, honoraria, prizes and awards),
- Scholarships and fellowships paid to students (e.g. tuition, room and board, stipend/living allowance, books),
- Royalty for the right to use some type of intangible property,
- Travel Grants, or
- Other purposes.

Payments to aliens are handled through different departments, i.e. the Payroll System or the Accounts Payable System within the agency, depending upon the tax residency status of the individual (resident or nonresident), the worker's classification (an employee or independent contractor), and the source of the payment (foreign or U.S.). These factors also affect the applicability of federal reporting and taxation.

Care should be taken to ensure that the proper amount of tax is withheld from payments made to nonresident aliens. Section 1461 of the Internal Revenue Code states that a withholding agent is liable for the income tax that must be withheld from payments made to or on behalf of a nonresident alien. Thus, if the agency fails to withhold the requisite tax and the nonresident alien payee fails to pay the tax due, the agency will be liable for the tax required to be withheld. There are also penalties associated with the failure to correctly report the income to the IRS, or failure to pay or deposit the tax when due. Agencies may also be liable for penalties and interest, unless it can be shown that the failure to pay or file was due to reasonable cause and not willful neglect.

All compensation paid to nonresident aliens for services performed in the U.S. is subject to these requirements and procedures. Agencies that employ or contract with nonresident aliens are required to maintain an understanding of the Internal Revenue Code and Treasury Regulations related to nonresident aliens. A person should also be designated to maintain a working knowledge of the Immigration Act of 1990, amendments to the Act and regulations promulgated pursuant to the Act.

## APPENDIX II

### U.S. Immigration Law and Authorization to receive U.S. payments

This section is authored by Lowell G. Hancock, Issue Specialist, IRS Foreign Payments Branch, Washington, DC.

"A very basic knowledge about U.S. immigration laws is essential to understanding the taxation of aliens in the United States because the treatment of aliens under the internal revenue and social security laws of the United States is based, in part, on the status of such aliens under the immigration laws of the United States. **An alien is any person who is not a citizen of the United States.** The immigration laws of the United States are administered by the Immigration and Naturalization Service (INS); although the U.S. Department of State in its embassies and consulates abroad determines initially which aliens will be allowed to enter the United States. **The immigration laws classify all aliens into three basic categories: (1) immigrants, (2) nonimmigrants, and (3) illegal aliens.**

Immigrants have the right to reside permanently in the United States, and sooner or later will come into possession of that most coveted of documents known as the "green card" (INS form I-551). The green card is the tangible evidence of a person's immigrant status. It allows the alien who possesses it to reside permanently in the United States, to enter and leave the United States at will without having to resort to visas or reentry permits, and to earn self-employment and employment income in the United States under the same conditions as would apply to a U.S. citizen.

A 'nonimmigrant' is an alien who is allowed to reside temporarily in the United States. A nonimmigrant has represented to the U.S. Department of State and to the INS that he is a permanent resident of a foreign country to which he fully intends to return after his temporary stay in the United States has come to an end. Most nonimmigrants enter the United States with the permission of the U.S. Department of State, and they bear written evidence of this fact in their passports in the form of a 'visa' which is usually stamped by a U.S. embassy or consulate abroad on one of the pages in the nonimmigrant's passport.

A nonimmigrant visa allows a nonimmigrant to enter the United States in one of several different categories that correspond to the purpose for which the nonimmigrant is being admitted to the United States. For example, a foreign student will usually enter the United States on an F-1 visa, a visitor for business on a B-1 visa, an exchange visitor (including students, teachers, researchers, trainees, alien physicians, au pairs, and others) on a J-1 visa, a diplomat on an A or G visa, etc. The categories of nonimmigrant visas correspond exactly to the "nonimmigrant status" assigned to each nonimmigrant upon his arrival, based on the purpose for which the nonimmigrant was admitted to the United States. A description of traditional visa types is provided in Appendix III."

**A matrix of acceptable visa types for eligible state entity payment to aliens is provided in Appendix IV.**

## APPENDIX III

### Traditional Alien Visa Types and Descriptions for State Payments

The type of visa that an employee, student, or independent contractor holds determines the types of payment remuneration that an individual may receive. Certain visas are not eligible to receive any type of payments.

#### 1. Immigration Visas

The U.S. Department of State is responsible for the issuance of U.S. passports and immigrant visas to the United States. An immigrant visa is issued to an individual who intends to reside in the U.S. permanently. Immigrant visas are usually obtained when a relative of the prospective immigrant or a U.S. employer wishing to provide work for the alien files a petition with the INS. Individuals entering the United States with an immigrant visa are issued a photo-identification card, commonly known as the "green card." Green cards are **I-551 cards** containing the bearer's photo, fingerprint, and signature.

#### 2. Non-Immigration Visas

- **A-1, A-2, and A-3** visa holders are foreign government officials. They are aliens coming temporarily to the United States who have been accredited by a foreign government to function as ambassadors, public ministers, career diplomat or consular officers, other accredited officials, or attendants, servants or personal employees of an accredited official, and all of the above aliens' spouses and unmarried minor (or dependent) children.
  - **A-1 and A-2** visa holders are only authorized to work for the foreign government, which accredited them. **A-1 and A-2** immediate family members may obtain work authorization in the form of a fully executed Form I-566, endorsed by the Department of State. **A-3 visas** are only authorized to work for the A-1 or A-2 visa holders who hired them. Immediate family members of **A-3** visa holders are not authorized to work and cannot be paid.
- **B visas** are issued to nonresident aliens who are visiting the United States temporarily for business or for pleasure. The B classification is divided into two types, visitors for business (B-1) and visitors for pleasure (B-2). Under the American Competitiveness and Workforce Improvement Act of October 21, 1998, B-1/B-2 visa holders under special circumstances may receive honorarium payments and reimbursement of associated incidental (usually travel) expenses for services in the U.S. B-1 Business Visitor may not accept employment in the United States, an individual in B-1 status cannot complete a Form I-9, Employment Eligibility Verification. Therefore, a B Visitor cannot be paid salaries or wages from U.S. sources.

The payments must be for usual academic activities such as giving a speech or lecture, presenting a paper, participating in a panel, or other similar activities lasting no longer than 9 days at any single institution, and must be made by an institution of higher education, a related or affiliated nonprofit entity, or a nonprofit or Governmental research organization. The alien cannot accept such payments from more than 5 institutions or organizations in a six-month period.

If the above mentioned criteria are not met, the B visa holder may only receive the remuneration allowed under the current INS regulations that are in effect. Under these regulations B-1 visa holders are only eligible to receive reimbursement for travel expenses and per diem. B-2 visa holders are not eligible to receive reimbursements for any expenses. These visa holders may not accept employment or perform services for which they are paid from a U.S. source. They are only eligible to receive an expense allowance or reimbursement for expense incidentals that relate to their temporary stay.

- **F-1 visa holders** are students with an academic studies classification. They are permitted to have temporary employment on the campus to which they are a student. They are limited to 20 hours/week during school sessions, but may work full time during holidays and summer break. F-1 students may only be employed when school is not in session if the student intends and is eligible to register for the next term or session. This requires an Employment Authorization Document from INS, which should be expected to take 90 days to process. On-campus employment may be performed either on the school's premises or at an off-campus location that is educationally affiliated with the school. See details of CPT and OPT noted below. See Extension of Optional Training Program for Qualified Students Attachment for additional guidance.

#### **Pre-Completion Curricular Practical Training (CPT):**

F-1 students may also be employed as part of their curricular practical training while they are students. This may consist of alternate work/study, internship, cooperative education, or any other type of required internship or practicum offered by sponsoring employers through cooperative agreements with the school, but must be directly related to the student's major area of study. Further the student is only permitted to work part-time while school is in session. The student may work full time when school is not in session. The document required to establish employment eligibility to employers is the Form I-20 ID certified by the foreign student advisor (FSA) from the student's approved institution and by making appropriate notation in SEVIS. Curricular practical training authorization is job specific, employer specific and date specific. *The employing agency is not responsible for any part of this process or for reviewing documentation other than the Forms I-94 and endorsed I-20. The student may begin engaging in CPT only after an application has been approved and an EAD has been issued.*

#### **Post-Completion Optional Practical Training (OPT):**

Upon graduation, the F-1 student is permitted to continue their visa status under the Optional Practical Training program. They are permitted to work full time to gain a maximum of 29 months of professional work experience, which must be directly related to the student's major area of study. The student is issued an Employment Authorization Card, I-765 Card and permitted to work until the expiration date of the card. *The student may begin engaging in OPT only after an application has been approved and an EAD has been issued. Note: All periods of CPT are deducted from the available periods of OPT.*

- **F-2** visa holders are dependents of F-1 students and are not authorized to work.
- **H-1B** classification provides an opportunity for "specialty workers" to accept employment in the United States. H-1B Specialty Worker status must be obtained through petition to INS by an American employer or by a foreign employer licensed to do business in the United States, who must follow prescribed procedures. H-1B Specialty Worker status may be granted for an initial period of up to three years. The status, which does not require a foreign residence, allows the H-1B Worker to fill a permanent position as long as he or she is in that status. Once the status ends the Worker must depart the U.S. unless proper steps have been taken to adjust to a new status. H-1B status can be extended to up to six years, with additional extensions available for certain specified situations. The employer must request an extension prior to the expiration of the H-1B Worker's status.

An H-1B Specialty Worker is not permitted to work for any employer in the United States other than the one for which INS approved the H-1B. In order to change to a new employer, the new employer must submit a petition for H-1B Specialty Worker status for the employee. An H-1B Specialty Worker may work for the new employer upon the filing of the new petition without waiting for the notice of approval. An H-1B Specialty Worker for whom an application for extension has been timely submitted may continue to work for 240 days while the application for

extension is being processed by INS. If the application is denied, the employer may no longer employ the worker.

An H-1B Worker must obtain a U.S. social security number (SSN) to be used by the individual's U.S. employer to submit Form W-2, Wage Reports, for the employee. In most cases, the H-1B Worker's SSN will bear the annotation "valid only with INS authorization."

- **J-1** visas are issued to participants in the exchange visitor (J) nonimmigrant visa category for individuals who are approved to participate in the exchange visitor programs in the United States. Therefore, before you can apply for a J visa the applicant must meet the requirements, and be accepted in one of the Exchange Visitor Program categories (see page 27) through a designated sponsoring organization. A J-1 scholar may only work for the sponsoring employer. Sponsors may allow professors and research scholars to participate in occasional lectures and short-term consultations. Such lectures and consultations **must** be incidental to the exchange. The occasional lectures or short-term consultations must be **directly related** to the objectives of the exchange visitor's program, incidental to the exchange visitor's primary program activities; and not delay the completion date of the visitor's program. Additionally, any payment for travel may be determined to be a travel grant and taxable. Further information is necessary to make this determination.

To obtain authorization to engage in occasional lectures or short-term consultations involving wages or other remuneration, the exchange visitor shall present to the responsible officer a letter from the officer setting forth the terms and conditions of the offer to lecture or consult. The letter must include the duration, number of hours, field or subject, amount of compensation, and description of such activity; and a letter from his or her department head or supervisor recommending such activity and explaining how it would enhance the exchange visitor's program.

The responsible officer shall review the letters and make a written determination whether such activity is warranted and satisfies the above criteria. At the discretion of the responsible officer, professors may freely engage in research and research scholars may freely engage in teaching and lecturing, unless disallowed by the sponsor. Because these activities are so intertwined, such a change of activity will not be considered a change of category necessitating a formal approval by the responsible officer or approval by the Agency.

Exchange visitor and student information is maintained in the Student and Exchange Visitor Information System (SEVIS). SEVIS is an internet-based system that maintains accurate and current information on non-immigrant students (F and M visas), exchange visitors (J visa), and their dependents (F-2, M-2, AND J-2). SEVIS enables schools and program sponsors to transmit mandatory information and event notification via the internet, to the Department of Homeland Security and Department of State (DOS) throughout a student or exchange visitor's stay in the United States. All exchange visitor applicants must have a SEVIS generated DS-2019 issued by a Department of State designated sponsor, which they submit when they are applying for their exchange visitor visa. The consular officer will need to verify you DS-2019 record electronically through the SEVIS system in order to process the Foreign National's exchange visitor visa application to conclusion.

The studies that a **J-1 exchange visitor student** performs may be virtually indistinguishable from foreign students in F-1 status, different rules apply. Some exchange programs allow participants to be employed in their specialty fields, while other programs restrict participants to study or research. In all cases, as with F-1 students, agencies must insure that J-1 employees not only are lawfully permitted to work (and, if so, to work for them) but that they are only employed during the period for which they have been approved to remain in the U.S. Permissible employment, if any, should be indicated on the Form DS-2019 of those J-1 visitors who's USIA (U.S. Immigration Act)-approved program guidelines permit employment. Generally, this employment is employer specific, meaning that the individual may work only for the employer that sponsored him/her for J-1 status or has been approved by the applicable USIA program. In cases where the DS-2019 is

not clear with respect to given employment, employers may wish to review the individual's Form I-94 and/or written approval of the J-1 program official. An Employment Authorization Document (EAD) in addition to the DS-2019 authorization is not required.

Form I-9, Employment Eligibility Verification, must be completed if the J Non-student Exchange Visitor will be receiving compensation for employment.

The initial admission of an exchange visitor, spouse and children may not exceed the period specified on Form DS-2019, plus a period of 30 days for the purpose of travel. The 30-day grace or travel status period is intended to be a period following the end of the exchange visitor's program and is to be used for domestic travel and/or to prepare for and depart from the U.S., and for no other purpose.

Foreign Nationals who enter the United States in J-1 immigration status may be subject to a two-year home-residency requirement under section 212(e) of the Immigration and Nationality Act. J-1 Exchange Visitors subject to 212 (e) may not adjust to another status authorizing employment without first returning home for two years or obtaining a "no objection letter" from the home country government.

### **5-Calendar-Year Rule for J-1 Students**

A special 5-calendar year rule applies to maintain non-residency status for J-1 Students. J-1 Students are exempt from counting U.S. days for purposes of the 183-day residency formula for 5 calendar years. J-1 Students in the United States for more than 5 calendar years must generally begin counting U.S. days for purposes of the 183-day residency formula. Keep in mind, just one U.S. day in the calendar year counts as one calendar year for purposes of determining exempt years. This is an once-in-a-lifetime test. J-1 Students who have been exempt from counting U.S. days for 5 calendar years (beginning in 1985, the first calendar year for which the 183-day residency formula was effective) must count their U.S. days for purposes of determining their U.S. tax residency status. In the typical situation, a J-1 Student must begin counting days in the 6th calendar year in the United States as a student. However, the individual must also take into consideration calendar years as an exempt individual in any F, M, J, or Q immigration status in the prior years as well. A Calendar year includes years in which foreign students spent in the U.S. in high school, or even as young children accompanying a student parent.

### **2-out-of-7-Year Rule for J-1 Nonstudents**

A special 2-out-of-7 calendar year rule exempts J-1 Nonstudents such as trainees and short-term visitors from counting days for purposes of the 183-day residency formula. Under this exception, a J-1 Nonstudent who has not been in the United States as an exempt individual at any time in the prior 6 calendar years is a nonresident alien for tax purposes. In the typical situation, a J-1 Nonstudent is a nonresident alien for two calendar years in the United States. J-1 Nonstudents in the United States for two years or longer become resident aliens in their 3rd calendar year when their U.S. days add up to 183 days. J-1 Nonstudents, who have been in the United States as exempt individuals before, for example as F-1 or J-1 Students, will become resident aliens sooner if those years are in their prior six calendar years.

- A **J-2** spouse may be employed if authorized by the INS. An economic necessity must be demonstrated to receive this authorization.
- **M-1** visa holders are nonimmigrant aliens entering the United States as a student for vocational training. The rules for employment are the same as the **F-1 visa holders**.
- **O-1** visa holders are nonimmigrant aliens with extraordinary ability in the areas of science, education, business, athletics or the arts. Work is authorized for sponsoring employer only.



- **Q** visas are issued to participants in international cultural exchange programs for the duration of the program, but no longer than fifteen months. The purposes of these exchange programs are to provide practical training, employment and the sharing of the history, culture and traditions of the country of the alien's nationality. Q visa holders are authorized to work only for the sponsoring employer.
- **VWT** is a visa waiver for tourism. No work authorization. Eligible to receive reimbursement for travel expenses and per diem.
- **VWB** is a visa waiver for business purposes. No work authorization. Eligible to receive reimbursement for travel expenses and per diem.

**Note: Visa Waiver Countries**

Individuals may enter the U.S. for up to 90 days without a visa if they are nationals from the following countries: Andorra, Austria, Australia, Belgium, Brunei, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Republic of Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, and the United Kingdom. This list of participating countries changes on an on-going basis, thus, you should consult the web site of the Bureau of Consular Affairs of the U.S. State Department at <http://travel.state.gov> to obtain the latest list. Individuals entering the U.S. under the visa waiver project should be treated as if they had entered with a temporary visitor visa, either B-1 or B-2 according to the nature of the visit.

## Foreign National Information System Data Gathering Form

Use this form to gather information for each foreign national employee, contractor, or vendor that must be tracked in the Windstar Tax Navigator. The information gathered on this form will be used to enter the data into the Foreign National Information System (FNIS) to be uploaded into Tax Navigator at a later date.

## Foreign National Information System Data Gathering Form

Screen 1 Information	
Title:	
Last Name:	
First Name:	
Middle Name:	
Post Title:	
Student Type:	
Trainee Type:	
Your SSN / ITIN:	
Applied for SSN / ITIN:	
Institution-Assigned ID Number:	Leave this field blank.
Department at Institution:	
Occupation at Institution:	(enter <b>GC</b> for <b>Green Card</b> and <b>Expiration Date</b> in this field)
Foreign Taxpayer ID:	

Screen 2 Information	
Date of Birth:	
Marital Status:	
Spouse in USA?:	
Spouse Working in USA?	
Total Number of Dependents:	
Number of Dependents Who Were With Me in the U.S. at Some Time in the Calendar Year:	
Number of Dependents Who Are U.S. Citizens or Residents:	
Home Phone:	
Day Phone:	
Fax:	
Email Address:	
Date First in USA:	

Screen 3 Information	
U.S. Address Line 1:	
U.S. Address Line 2:	
U.S. Address Line 3:	
City:	
State:	
Zip code:	
Foreign Address Line 1:	
Foreign Address Line 2:	
Foreign Address Line 3:	
Foreign City:	
Province/Region:	
Postal Code:	
Country of Residence Address:	

Screen 4 Information	
Country of Passport/Citizenship:	
Passport Number:	
Passport Expiration Date:	
U.S. Citizen?:	
Country of Tax Residence Before Entering US:	
Office in USA?:	
Days of Office Availability:	
Recipient of Grant?:	
Proven Closer Connection?:	
Application for LPR?:	
In Full-time Program?:	
Wish to claim treaty benefits?:	

#### VISA / IMMIGRATION STATUS HISTORY

Screen 5 Information	<i>See TAB - Immigration Status Codes for HELP.</i>
Visa Record # 1	
Immigration Status (Visa Type):	
J Subcategory (J1 & J2):	
Primary Purpose of Visit:	
Tax Residence:	
Treaty benefit taken as:	
Visa Number:	
First day in USA:	
Last Day in USA:	

Visa Record # 2	
Immigration Status (Visa Type):	
J Subcategory (J1 & J2):	
Primary Purpose of Visit:	
Tax Residence:	
Treaty benefit taken as:	
Visa Number:	
First day in USA:	
Last Day in USA:	

Visa Record # 3	
Immigration Status (Visa Type):	
J Subcategory (J1 & J2):	
Primary Purpose of Visit:	
Tax Residence:	
Treaty benefit taken as:	
Visa Number:	
First day in USA:	
Last Day in USA:	

I hereby authorize North Carolina Office of the State Controller to release this information to Windstar Technologies, Inc., P.O. Box 800; 1400 Providence Hwy.; Suite 3250; Norwood, MA 02062-0800 for the following purpose: technical software support for the International Tax Navigator system.

I hereby certify under penalty of perjury that all of the following information is true, complete and correct. I understand that if my status changes from that which I have indicated on this form I must submit a new form to the appropriate department.

\_\_\_\_\_  
Foreign National Signature

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Agency Authorized Signature

Data Gathering Form  
Immigration Status Codes

**IMMIGRATION STATUS (VISA TYPES)**

A-1 Foreign Government Worker	K-1 Fiancé of U.S. Citizen
A-2 Other Foreign Government Official and Family	L-1 Intracompany Transferee
A-3 Attendant, Servant or EE of A-1 or A-2, and Family	L-2 Intracompany Transferee Dependent
ACPR Abandoned Contingent Permanent Resident	LPR U.S. Lawful Permanent Resident
ALPR Abandoned Lawful Permanent Resident	M-1 Non-Academic Student
ASLM Political Asylum	M-2 Non-Academic Student Dependent
B-1 Visitor for Business	M-3 Border Commuter Non-Academic Student from Canada or Mexico
B-2 Visitor for Pleasure	N-8 Parent of SK-3 Special Immigrant
B-2P Prospective Student/Scholar	N-9 Child of N-8 or SK-1, SK-2, or SK-4 Special Immigrant
C-1 Continuous Transit Alien	NAC Native American - Canadian
C-2 Alien in Transit to UN Headquarters	NAI Native American Indian
C-3 Foreign Official, Family, Servants in Transit	NATO NATO
CFA Compact of Free Association Country National	NAU Native American - US
CPO Chinese Protective Order - Oct 90	O-1 Alien of Extraordinary Ability in Sciences, Arts, Education
CPR Conditional Permanent Resident	O-2 Accompanying Alien
D-1 Crewman	O-3 Spouse or Child of O-1 or O-2
DVI PR Lottery Winner	OUTS Out of Status
E-1 Treaty Trader	P-1 Performing Entertainer or Athlete
E-2 Treaty Investor	P-2 Exchange Program Artist or Entertainer
E-3 Australian Specialty Worker	P-3 Culturally Unique Artist or Entertainer
EWI Entry Without Inspection	P-4 Dependent of P-1, P-2, P-3
F-1 Student	PAA Pending Adjustment Applicant
F-2 Student Dependent	PARL Parole
F-3 Boarder Commuter Student from Canada or Mexico	Q-1 Cultural Exchange Visitor
G-1 Foreign Government Visitor	Q1 old Q-1 Cultural Exchange Visitor
G-2 Other Representative of Foreign Member Government	R-1 Religious Worker
G-3 Representative of Nonrecognized Government and Family	R-2 Religious Worker Dependent
G-4 International Organization Officer or Employee and Family	RFGE Refugee
H-1B Worker in Specialty Occupation	SK-1 Special Immigrant (SK-1)
H-2B Temporary Worker	SK-2 Special Immigrant (SK-2)
H-3 Temporary Trainee	SK-3 Special Immigrant (SK-3)
H-4 Worker Dependent	SK-4 Special Immigrant (SK-4)
H1-A professional Nurse (H1-A)	TD Dependent of TN Visa Holder
H1-C Professional Nurse (H1-C)	TN Canadian or Mexican Citizen Professional
H1B1 Specialty Occupation	TPR Temporary Permanent Resident
H1B2 Exceptional Services/DOD	TPS Temporary Protective Status
H1B3 Artist/Athlete of Acclaim	United States National
H1B4 Athlete (H1B4)	VW Visa Waiver (Select which subtype: VWB or VWT)
H1B5 Athlete (H1B5)	VWB Visa Waiver business
H1BS Essential Support	VWBP Visa Waiver Business Parolee
H2-A Temporary Worker Performing Agricultural Services	VWT Visa Waiver Tourist
I Representative of Foreign Media, Spouse, Children	VWTP Visa Waiver Tourist Parolee
ILLG Illegal Entry	WB1 Canadian Walkover for Business
J-1 Exchange Visitor	WB2 Canadian Walkover for Pleasure
J-2 Exchange Visitor Dependent	

## Data Gathering Form

### Immigration Status Codes

<u>J1 &amp; J2 Sub Categories</u>
Alien Physicians
Au Pair
Other – Camp Counselors
Other – Government
Visitors
Other – International
Visitors
Professors
Research Scholars
Short-Term Scholar
Specialists
Student Summer
Travel/Work
Teachers
Trainees – Medical
Trainees – Non-Medical

<u>PURPOSE OF VISIT</u>
Board of Director Activities
Business Activities
Clinical Activities
Conducting Research
Consulting
Demonstrating Special Skills
Educational/Professional Activities
Green Card Pending
Here with Spouse/Relative
In Transit
Lecturing
Living/Working Abroad
Living/Working in US
Observing
Performing as an Artist
Performing as an Athlete
Practical Training/J-1, F-1
Studying in Degree Program
Studying in Non-Degree Program
Summer Travel/Work
Supporting as an Artist/Athlete
Teaching Temporary Employment
Tourist Activities
Training
Unrelated Business Activities

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## APPENDIX V

### VISA / PAYMENT MATRIX

#### ELIGIBLE PAYMENTS TYPES BASED ON VISA TYPES

Visa Type	Visa Description	Employee Wages	Independent Contractors	Honoraria	Travel* Reimbursement	Scholarships / Fellowships
A-1	Foreign Gov't Officials	No	No	No	Yes	Yes
A-2	Foreign Gov't Officials	Yes <sup>①</sup>	No	Yes <sup>①</sup>	Yes	Yes
B-2 & VWT	Visitor for Pleasure	No	No	Yes <sup>②</sup>	Yes	Yes
B-1 & VWB	Visitor for Work	No	Yes <sup>④</sup>	Yes <sup>②</sup>	Yes	Yes
F-1	Students	Yes	Yes	No	Yes	Yes
F-2	F-1 Spouse or Dependent	No	No	No	No	Yes
H-1A	Aliens in Health Spec. Occupations	Yes	No	No	Yes	Yes
H-1B	Professional	Yes	No	No	Yes	No
H-4	H-1 Dependent	No	No	No	No	Yes
J-1 (agency sponsored)	Exchange Visitor (students, scholars, trainees)	Yes	Yes	Yes	Yes	Yes
J-1 (sponsored by another agency)	Same as above	Yes <sup>③</sup>	No	Yes <sup>③</sup>	Yes	Yes
J-2	J-1 Spouse or Dependent	Yes <sup>①</sup>	Yes	Yes <sup>①</sup>	Yes	Yes
O-1	Extraordinary Ability in Sci., Edu., Bus., Art or Athletics	Yes	Yes	No	Yes	Yes
P-1	International Athlete or Ent. Group	Yes	Yes	Yes	Yes	No
Q-1	Intl cultural exchange	Yes	Yes	Yes	Yes	Yes
TN	NAFTA Professionals	Yes	No	No	Yes	No
TD	TN Spouse or Dependent	No	No	No	No	Yes

Note: Honoraria payments are limited to individuals who are not present for more than 9 days on site.

① Must have work authorization card issued by INS.

② May not visit more than 5 institutions in 6 months.

③ Must have permission from host sponsor for J-1 to receive any payment

④ Independent Contractors on a B1 visa or VWB has a time limitation to 9 days.

\* Additional information on Travel Grants (Expenses)-see pages 30-31



## Travel Grants (Reimbursements of travel expenses):

This section is authored by Paula N. Singer, Esq., Co-found and Chairman of Windstar Technologies, Inc. and partner in the tax law firm, Vacovec, Mayotte & Singer LLP, Netwon, MA.

“Generally, payments made to or on behalf of individuals are income subject to income tax and to withholding and reporting unless an exception applies. Determining when an exception applies is not always easy. This is especially the case with regard to reimbursed travel expenses.

### The Code

Section 61(A) (1) of the Internal Revenue Code (“the Code”) provides that gross income means all income from whatever source derived, including compensation for services. Section 117 of the Code provides an exception from tax for qualified scholarship and fellowship income. Qualified (nontaxable) grants are for tuition and required fees for enrollment, along with books, fees, supplies, and equipment required of all participants in a course of study provided the receipt is a “candidate for a degree at an education organization described in section 170(c)(1)(A)(ii).” In contrast, nonqualified scholarship and fellowship grants are subject to tax.

IRS Publication 970, Tax Benefits for Education, provides a liberal definition of the term “candidate for a degree.” Post-doctoral students are never considered candidates for a degree, and are, therefore, not eligible to claim qualified expenses – their total fellowships are always nonqualified even if they are enrolled in classes.

Payments and reimbursements for travel expenses are includable in the gross income of the recipient unless an exemption is provided by the Code or an income tax treaty. This is the case even when the payments and reimbursements are made to a third party, such as an airline or hotel rather than to the individual.

It is not the fact that payments and reimbursements are for travel expenses or the fact that the expenses are made or reimbursed through an expense report that determines whether the amounts shall be taxed or excluded from income. Rather, it is **the activity to which the travel expenses are attributable** that determines in the first instance how travel expenses payments and reimbursements shall be taxed – employment or self-employment services, studying or, non-service related training or research. It is the character of that income – wages, self-employment compensation, noncompensatory scholarship, or fellowship grant - that determines the exceptions that may be used to avoid the tax when conditions for the exception are met.

### Excludable Travel Expenses

The most common exception from taxation for travel expense payments and reimbursements is the deduction from income allowed by Section 162 of the Code for travel expenses for lodging, meals, and incidentals (other than amounts which are lavish or extravagant under the circumstances) paid or incurred while the recipient is away from his tax home in the pursuit of a trade or business. When these business expenses are made under an accountable plan as allowed by Section 62(c) and described in Treas. Reg. Section 1.62-2, they are not subject to withholding or reporting.

In order for payments and reimbursements to be excluded from income within this framework, the travel expenses must:

1. Have a business connection
2. Be paid or incurred for travel while the recipient is “away from home”
3. Be paid or reimbursed under an accountable plan

If any one of these requirements is not met, the payments and reimbursements are subject to tax, withholding, and reporting in accordance with the character of the income unless another exception applies.

One exception related to travel expenses applies when the expense is incurred primarily for the benefit of the employer. For example, the IRS has ruled that allowances and reimbursements made to individuals by a prospective employer for reasonable expenses such as transportation, meals, and lodging incurred in connection

with interviews for possible employment are not includable in the individual's income to the extent that the amount does not exceed the expenses incurred (Rev. Rul. 63-77, 1963-1 C.B. 177).

### **Business Connection Requirement**

Section 62(a)(1) of the Code provides that the term "adjusted gross income" means gross income minus deductions attributable to a trade or business carried on by the taxpayer, if such trade or business does not consist of the performance of services by the taxpayer as an employee. Section 62(a)(2)(A) provides that the term "adjusted gross income" means gross income minus the expenses paid or incurred by the taxpayer, in connection with the performance by him of services as an employee, under a reimbursement or other expense allowance arrangement with his employer. An arrangement meets the business connection requirement if the employer pays advances, allowances (including per diem allowances) or reimbursements only for deductible business expenses that the employee pays or incurs while performing services for the employer.

Section 132(a) (3) of the Code provides that gross income shall not include any fringe benefit which qualifies as a working condition fringe. Section 132(d) defines the term "working condition fringe" as any property or services provided to an employee of the employer to the extent that, if the employee paid for such property or services, such payment would be allowable as a deduction under section 162 (trade or business expense...). For purposes of working condition fringes, Treas. Reg. Section 1.132-1(b) (2) provides that the term "employee" includes "any independent contractor who performs services for the employer."

Therefore, payments and reimbursements for travel expenses attributable to the performance of services by either an employee or a self-employed individual for an employer may be excluded from income if they meet the "away-from-home" requirement and are paid or reimbursed under an accountable plan.

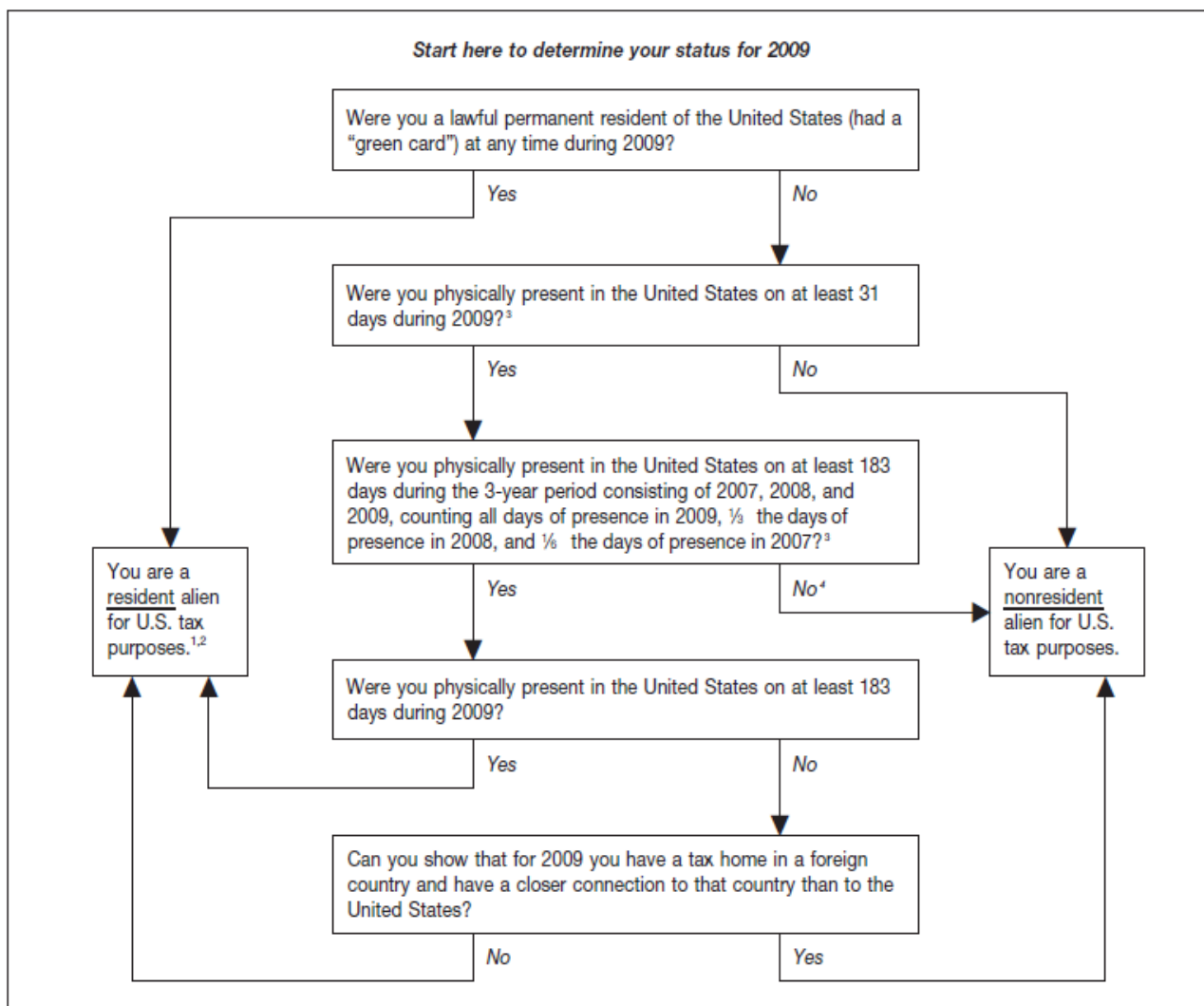
Not included under these rules are payments and reimbursements for travel that is attributable to the study, training, or research of the recipient for which no services are required in return. These travel expense payments and reimbursements (called "travel grants") are fully taxable unless another exception applies to exempt them from tax. Also not included under these rules are reimbursements for travel expenses of an individual made to a third party rather than to or on behalf of the individual."

## Visa and Travel Reimbursement Payment Chart for Schools and Agencies

Visa Type	Tax Procedure	Tax Liability
F-1 Student	Should be considered as a Travel Grant. Only on rare occasions can travel fall under the accountable plan. No Immigration restrictions.	14%
Visiting F-1 Student	Should be considered as a Travel Grant. Need a letter from host school giving the student permission to be on campus. No other immigration restrictions.	14%
J-1 Student	Should be considered as a Travel Grant. Only on rare occasions can travel fall under the accountable plan. No Immigration restrictions.	14%
Visiting J-1 Student	Should be considered as a Travel Grant. Need a letter from host school giving the student permission to be on campus. No other immigration restrictions.	14%
J-1 Trainee	Should be considered as a Travel Grant. Only on rare occasions can travel fall under the accountable plan. No Immigration restrictions.	14%
Visiting J-1 Trainee	Should be considered as a Travel Grant. Need a letter from host school giving the student permission to be on campus. No other immigration restrictions.	14%
J-1 Researcher	Usually, a researcher is considered an employment position. Travel should fall under the accountable plan. No immigration restrictions.	0%
Visiting J-1 Researcher	Should require a letter from host school giving the visiting researcher permission to be on campus. A researcher is usually considered an employment position. Travel should fall under the accountable plan. If not then taxable at 30%. No other immigration restrictions.	0% or 30%
H-1B, TN or O	H-1B, TN and O are considered employment visas. Travel should fall under the accountable plan. No immigration restrictions.	0%
H-1B transfer to School/Agency	Work-related expenses can be reimbursed, after H petition with School/Agency is filed with immigration service, in limited circumstances. H-1B is considered an employment visa. Travel should fall under the accountable plan.	0%
B-1/B-2/VWT/VWB	Immigration rules allow for reimbursement of travel expenses and per diem only. Taxable at 30%. (In unique situations, with approval by your tax specialist, some travel reimbursements may fall under the accountable plan.	0% or 30%

## APPENDIX VI

### Substantial Presence Test from IRS Publication 519, U.S. Tax Guide for Aliens (<http://www.irs.gov>)



<sup>1</sup> If this is your first or last year of residency, you may have a dual status for the year. See *Dual-Status Aliens* in chapter 1.

<sup>2</sup> In some circumstances you may still be considered a nonresident alien under an income tax treaty between the U.S. and your country. Check the provisions of the treaty carefully.

<sup>3</sup> See *Days of Presence in the United States* in this chapter for days that do not count as days of presence in the United States.

<sup>4</sup> If you meet the substantial presence test for 2010, you may be able to choose treatment as a U.S. resident alien for part of 2009. For details, see *Substantial Presence Test* under *Resident Aliens* and *First-Year Choice* under *Dual-Status Aliens* in chapter 1.

#### Special Notes for Days of Presence (Footnote 3)

- 1) F, J, M, Q visa holders who are students do not count days towards substantial presence test during the first five calendar years of their student status. Maximum time for exempting days as a student is 5 calendar years one time.
- 2) J and Q visa holders who are not in student status do not count days towards substantial presence test for two years out of seven. The seven years consist of current year and the six years prior to it.

## APPENDIX VII

### Summary of Source Rules for Income of Nonresident Aliens

Item of Income	Factor Determining Source
Dependent Personal Services: Wages, salaries	Where service is performed
Independent Personal Services: honoraria, independent contractors, consulting fees	Where service is performed
Business income: Personal services Sale of Inventory	Where services performed Where sold
Interest	Residence of payor
Dividends	Whether a U.S. or foreign corporation
Rents	Location of Property
Royalties: Natural Resources Patents, copyrights, etc.	Location of property Where property is used
Sale of real property	Location of property
Scholarships/Fellowships	Residence of payor**
Pensions	Where services were performed that earned the pension
Prizes and awards	Residence of payor**
Sale of natural resources	Allocation based on fair market value of product at export terminal.
<b>** Activities to be performed outside of the United States.</b> Scholarships, fellowship grants, targeted grants, and achievement awards received by nonresident aliens for activities to be performed; outside the United States are not U.S. source income.	

## APPENDIX VIII

### Forms and Other Documents to Establish Withholding for Aliens

Part of this section is authored by Paula N. Singer, Esq., Co-found and Chairman of Windstar Technologies, Inc.

#### **Resident Aliens Forms:**

- **Form W-9, Request for Taxpayer Identification Number and Certification**  
Aliens complete this form and file it with the withholding agent to establish their tax status as resident alien when they pass the substantial presence test.
- **Federal Tax Withholding (Form W-4)**  
Resident aliens may claim filing status and withholding allowances using the same rules as U.S. citizens (complete the Personal Allowance Worksheet to determine allowances). The form is filed with and kept by the withholding agent.
- **State Tax Withholding (Form NC-4)**  
Resident aliens may claim filing status and withholding allowances using the same rules as U.S. citizens (complete the Personal Allowance Worksheet to determine allowances). The form is filed with and kept by the withholding agent.
- **Form W-9, Modified to Claim Tax Treaty Benefits by a U.S. Person**  
If an individual entered the United States as a nonresident alien, but is now a resident alien for U.S. tax purposes, the treaty exemption will continue to apply if the tax treaty has an exception to the treaty's saving clause. If the resident alien qualifies under an exception to the treaty's saving clause and the payor intends to withhold U.S. income tax on the scholarship, fellowship, or other remittance, they can avoid income tax withholding by giving the payor a Form W-9 with an attachment that includes the following information:
  - Their name and U.S. identification number
  - A statement that you are a resident alien and whether you are a resident alien under the green card test, the substantial presence test, or a tax treaty provision
  - Tax treaty and article number under which you are claiming a tax treaty exemption, and description of the article
  - A statement that you are relying on an exception to the saving clause of the tax treaty under which you are claiming the tax treaty exemption

The form is filed and kept by the withholding agent.

#### **Nonresident Aliens Forms:**

- **Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding**  
The alien completes this form with a U.S taxpayer identification number beginning with 98- and files it with the withholding agent to establish his tax status as nonresident alien. It puts the withholding agent on notice to withhold taxes at the prescribed rates for nonresident aliens. The withholding agent retains the form.
- **Federal Tax Withholding (Form W-4)**  
The Internal Revenue code includes rules for taxing the income of nonresident aliens that differ from the rules for taxing the income of U.S. citizens and resident aliens. Nonresident aliens are taxed on the gross amount of U.S.-source income such as dividends, interest, rents, and royalties, and on income effectively connected to a U.S. trade or business (called "ECI"), after limited allowable deductions, at graduated single or married-filing-separately rates. ECI includes compensation from employment services performed in the United States.

Foreign workers who are nonresident aliens are subject to income tax on ECI under special rules because they do not pay U.S. income taxes on their worldwide income. Their ECI is taxed after limited deductions at either single or married-filing separately rate. Nonresident aliens cannot claim the standard deduction, except for students and business apprentices from India, and, with few exceptions, can claim only one personal exemption.

- The federal wage withholding rules for nonresident employees mirror the tax return limitations for these taxpayers:
  - They may claim only one personal exemption with a few exceptions
  - They may file using single or married-filing-separately rates (the highest rates)
  - They may not claim the standard deduction (except for residents from India who are students or business apprentices)
  - They are not eligible for tax benefits such as the Making Work Pay tax credit

### **Payroll Rules for Nonresident Employees**

Special payroll rules apply to nonresident employees, some increasing withholding and others providing for exemptions from tax.

The federal wage withholding rules for nonresident employees mirror the tax return limitations for these taxpayers:

- They may claim only one personal exemption with a few exceptions
- They must file using single or married-filing-separately rates (the highest rates)
- They may not claim the standard deduction (except for residents from India who are students or business apprentices)
- They are not eligible for tax benefits such as the Making Work Pay tax credit

### **Special Form W-4 Rules**

Because of the special tax rules that apply, nonresident aliens may not use the standard rules for completing Form W-4, Employee's Allowance Withholding Certificate. Instead, when completing Form W-4, nonresident employees must:

- Not claim "exempt" from withholding
- Use single status even if married
- Claim only one allowance (with few exceptions)
- Write "nonresident alien" or "NRA" on the dotted line on Line 6

Additional personal allowances may be claimed only by

- Residents of Canada or Mexico;
- Residents of South Korea;
- U.S. nationals from the Northern Mariana Islands and American Samoa; and
- Residents of India who entered as students or business apprentices.

- **The "Phantom Gross-up"**

Because the wage-withholding tables provided by the IRS are designed for U.S. citizen (and resident alien) employees, the tables cause underwithholding for employees who are not eligible for the standard deduction, which is built into the tables. To solve this problem, the IRS introduced a special gross-up procedure for payroll processing effective January 1, 2006, announced in IRS Notice 2005-76 (Oct. 2005). These changes were designed to provide withholding on wages of nonresident employees that more closely approximated their actual income tax liability. The pre-2006 procedure was to take an additional fixed withholding amount from each paycheck depending on the employee's pay period. This withholding procedure resulted in significant overwithholding for employees with low wages such as students and employee with few U.S. work days such as nonresident flight crews as well as numerous tax returns filings merely to obtain a refund of the overwithheld taxes.

The new protocol eliminated the existing pattern of withholding an additional amount, and instead implemented a “phantom gross-up” that required employers to add to the wages of nonresident employees an amount that varied by pay period to offset the assumed standard deduction that was incorporated into the wage withholding tables. The wage withholding tables were then applied to the inflated wages for withholding purposes; however, the additional “phantom” amount did not affect income for Form W-2 purposes, social security or Medicare (FICA) wages or taxes, or wages for federal unemployment tax (FUTA) liabilities. Individuals who were tax residents of India at the time they entered the U.S. for the purpose of education or training were exempt from this procedure because they were (and still are) eligible for the standard deduction. This was not a problem at the time because the standard deduction was the only consideration driving the “phantom gross-up” process.

## **The Making Work Pay Adjustments**

With the passage of the American Recovery and Reinvestment Act of 2009 (ARRA), which included the \$400 Making Work Pay Credit (MWPC), the IRS updated the wage-withholding tables for the general population and published them in IRS Publication 15-T in March 2009. These tables were designed to reduce withholding for many employees immediately, in anticipation of their claims for the Credit on their tax returns, and were required to be implemented no later than April 1, 2009. However, because nonresident aliens were specifically excluded from eligibility for the MWPC, it became necessary for the “phantom gross-up” amount already in place to be increased so that this population was not underwithheld. Again, students and trainees from India were exempted from the procedure, which was now an issue because they, like all other nonresident aliens, were not eligible for the MWPC.

In November 2009, the IRS issued Notice 2009-91, modifying the rules in Notice 2005-76, to take effect with wages paid on or after January 1, 2010. This notice announced that employers would need to make two modifications in withholding from the wages of nonresident aliens, not just one as was previously the case, because there were now two issues in play that needed to be accommodated: the standard deduction and the MWPC. (The general assumption was that this two-step process was not implemented in March 2009 because of the speed with which ARRA was passed and the need to get something in place quickly to accommodate it for withholding purposes.)

Notice 2009-91 was followed quickly by a revision of Notice 1036 setting forth the new rules for 2010. It included the 2010 withholding tables and a table for calculating adjustments for nonresident aliens to make up for the fact that they were not eligible for the MWPC. The new Notice 136 reduced the “phantom gross-up” amount to be applied to the wages of nonresident aliens for 2010 (the amount for 2009 were based on the full year’s worth of the MWPC being accommodated for over only 9 or 10 months of payments) and explains in detail the multi-step process that needed to be followed to account for the standard deduction and MWPC issues.

The new process involves four separate steps:

1. Adding the appropriate new phantom gross-up amount to gross wages;
2. Using the result from Step 1 and the number of withholding allowances on the employee’s W-4 to figure a base withholding amount on the new withholding tables;
3. Subtracting the value of withholding allowances from the result of Step 1 and figuring an amount from an NRA-specific adjustment table; and
4. Adding the amounts from Steps 2 and 3 to determine the total withholding due per pay period.

The following example illustrates the application of these steps by an employer using the percentage method tables to the bi-weekly compensation of \$754.80 paid to a sign nonresident alien employee, claiming one withholding allowance:

1.  $\$754.80 \text{ plus } \$78.85 = \$833.65$



2. \$833.65 less \$140.38 bi-weekly withholding allowance = \$693.27. Base withholding is \$16.80 plus \$43.84 (15% of excess over \$401), or \$60.64
3. Corresponding additional withholding from the NRA adjustment chart is \$15.40
4. \$60.64 (Step 2) plus (Step 3) = \$76.04 withholding

#### **The India Student/Trainee Problem**

Since Notice 1036 mentioned at the beginning of the four steps that “Nonresident alien students from India and business apprentices from India are subject to special rules” and referred readers to IRS Publication Circular E for more details, the appropriate process would be to exempt these employees only from Step 1, involving the standard deduction, and only subject them to the remaining steps relating to the inability of all nonresident aliens to claim the MWPC.

Unfortunately, when IRS issued Publication 15 in mid-December 2009, the tip saying “Nonresident alien students from India and business apprentices from India are not subject to this procedure” appears at the end of all four steps, not at the end of Step 1 where it logically should have appeared. This resulted in payroll software providers not making any special provisions for India students and business apprentices in their phantom gross-up programming, even in cases where the inconsistency was explained to and understood by them. They simply were not willing to program something that was contrary to the letter of the IRS publication, even though it was clearly inaccurate in light of the provisions of the treaty with India.

#### **Summary**

The U.S. tax and wage-withholding rules are different for non-U.S. citizens who are nonresident aliens. Since they were first issued for 2006, the IRS procedures describing how payroll systems should compute the “phantom gross-up” for wage-withholding table purposes have been modified and refined several times because of the Making Work Pay Credit. Employers using systems that do not handle this processing need to alert their nonresident alien employees to their potential underwithholding so they may act accordingly. Even if an employer’s payroll system handles the “phantom gross-up,” employees who are students and business apprentices from India may be underwithheld under the current system processes because the special rules for these nonresident alien employees have not been correctly incorporated into most payroll systems.

- **State Tax Withholding (Form NC-4)**

Nonresident aliens not from tax treaty countries use Form NC-4 for state income tax withholding and should claim the same filing and withholding status for state income tax withholding as for federal tax. The form is filed and kept by the withholding agent.

- **Form 8233, *Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual***

Nonresident aliens who want to receive an exemption from, or a reduced rate of withholding for certain income types must file Form 8233 with the withholding agent, with the required SSN or ITIN. The withholding agent is responsible for filing one copy of the completed Form 8233 plus statement referenced in the next paragraph with the Internal Revenue Service within 10 calendar days of acceptance. A copy is given to the nonresident alien. A copy is kept on file with the withholding agent.

Students, teachers, and researchers must attach the appropriate statement to the Form 8233 and give it to the withholding agent.

## APPENDIX IX

### Income Tax Treaties

An income tax treaty is an agreement entered into between two governments under which each country agrees to limit or modify the application of its domestic tax laws in an attempt to avoid having the same income taxed by both countries. Nonresident aliens of certain foreign countries may be entitled to reduced rates of, or exemption from, tax under a tax treaty between their country of residence and the U.S. These individuals must notify you that they are residents of a country with which the United States has an income tax treaty and qualify for reduced rates of, or exemption from, income tax withholding.

Most tax treaties to which the U.S. is a party provide for at least a partial exemption from tax for pay for labor or personal services performed in the United States by a qualified individual. Most tax treaties also include specific articles designed to foster education and cultural exchanges. These articles are directed at the taxation of students, trainees, teachers, and researchers.

Generally, the qualifying individual must be a resident of the treaty country. In some cases the individual must be a citizen of the treaty country. An issue sometimes arises where an individual is a resident of both the U.S. and a foreign country. Usually, when this dual residency occurs the determination is made by ascertaining where the individual's permanent home is, the country in which he/she is a citizen or national, and where personal and economic relations are closer.

Residency under the tax treaties is determined primarily by one's "residency" and not by one's citizenship or nationality. In addition, the domestic tax laws of most countries determine residency for tax purposes by criteria other than by citizenship or nationality. For example, the U.S. tax treaties with both China and Sweden determine residency first and foremost by the domestic law of each country. If dual residency results from the application of the domestic law of both countries, then the tiebreaker rules of each treaty come into play.

The tax laws of China require that a resident of China must have a "place of abode" in China to be considered a resident. The domestic law of Sweden states that anyone who resides in Sweden longer than 6 months shall be considered a resident of Sweden for tax purposes.

IRS Publication 901, *U.S. Income Tax Treaties*, provides an overview of the income tax treaties in force as of the publication date. This publication should not be relied upon to determine if an individual qualifies for the benefits of a tax treaty. The exemptions from or reduced rates of U.S. tax vary under each treaty. Therefore, you must check the provisions of the tax treaty that applies.

After a new tax treaty enters into force, the Treasury Department prepares a "technical explanation" of the text of the tax treaty provisions. The technical explanations are useful for interpreting the tax treaties. The information in IRS Publication 901 is not all-inclusive and tax treaties are regularly updated. Therefore, you should not rely solely on this publication, but should ensure that you have access to current and complete information about tax treaties if you deal with nonresident alien employees on an on-going basis. The Internal Revenue Service has tax treaty information on their web site at <http://www.irs.gov/businesses/international>.

When reviewing an income tax treaty article, it is important to pay close attention to the qualifications for exemption specified in the text of the article. For example, the article may limit the exemption to payments made by a certain type of payor (i.e., a foreign resident). To determine an individual's eligibility for a tax treaty an analysis must be made using the following criteria:

- What is the residency status of the individual as defined by their home country and by the U.S.?
- Does this status qualify for a potential exemption from tax?
- What is the primary purpose of the individual's presence in the U.S.? Is there an article in the tax treaty that could exempt this type of activity?
- What is the type of payment (scholarship, fellowships, independent personal service, and dependent personal service)? Is there an article in the tax treaty that could exempt this type of payment?

- How long will the individual be in the U.S.? This question is extremely important when dealing with tax treaties with a retroactive clause. These treaties will take away all benefits if an individual remains in the U.S. beyond the specified time period. Currently, countries with tax treaties that include a retroactive clause are India, the Netherlands, Thailand and the United Kingdom.
- Who is the payor?

The tolling of the time limitations in tax treaties varies between tax treaties. Article 20 of the U.S. -United Kingdom Tax Treaty limits the visit to the U.S. to two years. If the individual stays longer than two years the benefit of the treaty is lost retroactively. In this situation, if the state entity has reason to believe that the individual will be staying longer than two years they should not grant the tax treaty exemption. The treaty with Canada allows a tax exemption on up to \$10,000 of remuneration paid in the calendar year. However, if the individual earns more than \$10,000, the entire benefit of the tax treaty is lost retroactively.

## APPENDIX X

### Countries with Tax Treaties Containing Applicable Articles

Table 2. Compensation for Personal Services Performed in United States Exempt from U.S. Income Tax Under Income Tax Treaties (revised April 2010)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Australia	16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	14
	20	Public entertainment	183 days	Any contractor	\$10,000 <sup>25</sup>	17
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	15
	20	Public entertainment <sup>15</sup>	183 days	Any foreign resident	\$10,000 <sup>25</sup>	17
	19	Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	20
Austria	16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	14
	20	Public entertainment	No limit	Any contractor	\$20,000 p.a. <sup>25</sup>	17
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	15
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$20,000 p.a. <sup>25</sup>	17
	19	Studying and training: Remittances or allowances <sup>10</sup>	3 years <sup>11</sup>	Any foreign resident	No limit	20
Bangladesh	15	Scholarship or fellowship grant <sup>4</sup>	2 years <sup>11</sup>	Any U.S. or foreign resident <sup>5</sup>	No limit	21(2)
	16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	15
	20	Public entertainment	No limit	Any contractor	\$10,000 <sup>30</sup>	18
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	16
	20	Public entertainment	No limit	Any contractor	\$10,000 <sup>30</sup>	18
	18	Teaching or research <sup>4</sup>	2 years	Any U.S. or foreign resident	No limit	21(1)
	19	Studying and training: <sup>4</sup> Remittances or allowances	2 years <sup>11</sup>	Any foreign resident	No limit	21(2)
		Compensation during study or training	2 years <sup>11</sup>	Any U.S. or foreign resident	\$8,000 p.a.	21(2)
Barbados	16	Independent personal services <sup>7, 22</sup>	89 days	Any foreign contractor	No limit	14
			89 days	Any U.S. contractor	\$5,000	14
	20	Public entertainment	No limit	Any contractor	\$250 per day or \$4,000 p.a. <sup>6</sup>	17
	17	Dependent personal services <sup>7, 15</sup>	183 days	Any foreign resident	\$5,000	15
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$250 per day or \$4,000 p.a. <sup>6</sup>	17
	19	Studying and training: <sup>20</sup> Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	20
Belgium	16	Independent personal services <sup>54</sup>				7
	17	Dependent personal services <sup>15, 24</sup>	183 days	Any foreign resident	No limit	14
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$20,000 p.a. <sup>25</sup>	16
	18	Teaching <sup>4</sup>	2 years	Any U.S. educational or research institution	No limit	19(2)
	19	Studying and training: <sup>10</sup> Remittances or allowances	No limit <sup>54</sup>	Any foreign resident	No limit	19(1)(a)
		Compensation during study or training	No limit <sup>54</sup>	Any U.S. or foreign resident	\$9,000 p.a.	19(1)(b)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Bulgaria	16	Independent personal services <sup>5,4</sup> . . . . .				7
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$15,000 p.a. <sup>25</sup> . . . . .	16
	18	Teaching <sup>4</sup> . . . . .	2 years . . . . .	Any U.S. educational or research institution . . . . .	No limit . . . . .	19(2)
	19	Studying and training: <sup>10</sup> Remittances or allowances . . . . . Compensation during study or training . . . . .	No limit <sup>57</sup> . . . . . No limit <sup>57</sup> . . . . .	Any foreign resident . . . . . Any U.S. or foreign resident . . . . .	No limit . . . . . \$9,000 p.a. . . . .	19(1)(a) 19(1)(b)
Canada	16	Independent personal services <sup>5,4</sup> . . . . .				VII
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$15,000 p.a. <sup>25</sup> . . . . .	XVI
	17	Dependent personal services . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$10,000 . . . . .	XV
	20	Public entertainment <sup>9</sup> . . . . .	183 days . . . . .	Any foreign resident <sup>15</sup> . . . . .	No limit <sup>12</sup> . . . . .	XV
	19	Studying and training: Remittances or allowances <sup>10</sup> . . . . .	No limit . . . . . No limit <sup>57</sup> . . . . .	Any U.S. or foreign resident . . . . . Any foreign resident . . . . .	\$15,000 p.a. <sup>25</sup> . . . . . No limit . . . . .	XVI XX
China, People's Rep. of	15	Scholarship or fellowship grant . . . . .	No specific limit	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20(b)
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	13
	20	Public entertainment <sup>20</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	No limit . . . . .	16
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	14
	20	Public entertainment <sup>20</sup> . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	No limit . . . . .	16
	18	Teaching <sup>4</sup> . . . . .	3 years . . . . .	U.S. educational or research institute . . . . .	No limit . . . . .	19
	19	Studying and training: Remittances or allowances . . . . . Compensation during training or while gaining experience . . . . .	No specific limit No specific limit	Any foreign resident . . . . . Any U.S. or foreign resident . . . . .	No limit . . . . . \$5,000 p.a. . . . .	20(a) 20(c)
Commonwealth of Independent States	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident . . . . .	Limited <sup>19</sup> . . . . .	VI(1)
	16	Independent personal services . . . . .	183 days . . . . .	Any U.S. or foreign contractor . . . . .	No limit . . . . .	VI(2)
	17	Dependent personal services . . . . .	183 days . . . . .	Any U.S. or foreign resident . . . . .	No limit . . . . .	VI(2)
	18	Teaching <sup>4, 18</sup> . . . . .	2 years . . . . .	Any U.S. educational or scientific institution . . . . .	No limit . . . . .	VI(1)
	19	Studying and training: Remittances or allowances . . . . . Compensation while gaining experience . . . . . Compensation under U.S. Government program . . . . .	5 years . . . . . 1 year . . . . . 1 year . . . . .	Any U.S. or foreign resident . . . . . C.I.S. resident . . . . . Any U.S. or foreign resident . . . . .	Limited <sup>19</sup> . . . . . No limit <sup>19</sup> . . . . . No limit . . . . .	VI(1) VI(1) VI(1)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Cyprus	15	Scholarship or fellowship grant . . . . .	Generally, 5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	21(1)
	16	Independent personal services <sup>22</sup> . . . . .	182 days . . . . .	Any contractor . . . . .	No limit . . . . .	17
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$500 per day or \$5,000 p.a. <sup>6</sup> . . . . .	19(1)
	17	Dependent personal services <sup>15</sup> . . . . .	182 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	18
		Directors' fees . . . . .	No limit . . . . .	U.S. corporation . . . . .	No limit <sup>21</sup> . . . . .	20
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$500 per day or \$5,000 p.a. <sup>6</sup> . . . . .	19(1)
	19	Studying and training: Remittances or allowances . . . . .	Generally, 5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	21(1)
		Compensation during training . . . . .	Generally, 5 years . . . . .	Any U.S. or foreign resident . . . . .	\$2,000 p.a. . . . .	21(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	1 year . . . . .	Cyprus resident . . . . .	\$7,500 . . . . .	21(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 . . . . .	21(3)
Czech Republic	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	21(1)
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	183 days . . . . .	Any contractor . . . . .	\$20,000 p.a. <sup>30</sup> . . . . .	18
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	183 days . . . . .	Any foreign resident . . . . .	\$20,000 p.a. <sup>30</sup> . . . . .	18
	18	Teaching <sup>4, 36</sup> . . . . .	2 years . . . . .	Any U.S. educational or research institution . . . . .	No limit . . . . .	21(5)
	19	Studying and training: <sup>4</sup> Remittances and allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	21(1)
		Compensation during training . . . . .	5 years . . . . .	Any U.S. or foreign resident . . . . .	\$5,000 p.a. . . . .	21(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mos. . . . .	Czech resident . . . . .	\$8,000 . . . . .	21(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government . . . . .	\$10,000 . . . . .	21(3)
Denmark	16	Independent personal services <sup>22</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$20,000 p.a. <sup>25</sup> . . . . .	17
	17	Dependent personal services <sup>15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	183 days . . . . .	Any foreign resident . . . . .	\$20,000 p.a. <sup>25</sup> . . . . .	17
	19	Studying and training: <sup>4</sup> Remittances or allowances <sup>10</sup> . . . . .	3 years <sup>11</sup> . . . . .	Any foreign resident . . . . .	No limit . . . . .	20

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Egypt	15	Scholarship or fellowship grant . . . . .	Generally, 5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	23(1)
	16	Independent personal services . . . . .	89 days . . . . .	Any contractor . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$400 per day . . . . .	17
	17	Dependent personal services <sup>14, 15</sup> . . . . .	89 days . . . . .	Egyptian resident . . . . .	No limit . . . . .	16
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$400 per day . . . . .	17
	18	Teaching <sup>4</sup> . . . . .	2 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	22
	19	Studying and training: Remittances or allowances . . . . .	Generally, 5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	23(1)
		Compensation during training . . . . .	Generally, 5 years . . . . .	U.S. or any foreign resident . . . . .	\$3,000 p.a. . . . .	23(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mos. . . . .	Egyptian resident . . . . .	\$7,500 . . . . .	23(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 . . . . .	23(3)
Estonia	15	Scholarship or fellowship grants <sup>4</sup> . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20(1)
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$20,000 <sup>30</sup> . . . . .	17
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$20,000 <sup>30</sup> . . . . .	17
	19	Studying and training: <sup>4</sup> Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	20(1)
		Compensation during training . . . . .	12 consec. mos. . . . .	Estonian resident . . . . .	\$8,000 . . . . .	20(2)
			5 years . . . . .	Other foreign or U.S. resident . . . . .	\$5,000 p.a. . . . .	20(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mos. . . . .	Estonian resident . . . . .	\$8,000 . . . . .	20(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 . . . . .	20(3)
Finland	16	Independent personal services <sup>22</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$20,000 p.a. <sup>25</sup> . . . . .	17
	17	Dependent personal services <sup>15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$20,000 p.a. <sup>25</sup> . . . . .	17
	19	Studying and training: Remittances or allowances <sup>10</sup> . . . . .	No limit . . . . .	Any foreign resident . . . . .	No limit . . . . .	20
France	15	Scholarship or fellowship grant . . . . .	5 years <sup>40</sup> . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	21(1)
	16	Independent personal services <sup>22</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$10,000 <sup>30</sup> . . . . .	17
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$10,000 <sup>30</sup> . . . . .	17
	18	Teaching <sup>4, 30</sup> . . . . .	2 years <sup>40</sup> . . . . .	U.S. educational or research institution . . . . .	No limit . . . . .	20
	19	Studying and training: <sup>4</sup> Remittances or allowances . . . . .	5 years <sup>40</sup> . . . . .	Any foreign resident . . . . .	No limit . . . . .	21(1)
		Compensation during study or training . . . . .	12 consec. mos. . . . .	French resident . . . . .	\$8,000 . . . . .	21(2)
			5 years . . . . .	Other foreign or U.S. resident . . . . .	\$5,000 p.a. . . . .	21(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mos. . . . .	French resident . . . . .	\$8,000 . . . . .	21(2)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Germany	15	Scholarship or fellowship grant . . . . .	No limit . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20(3)
	16	Independent personal services <sup>54</sup> . . . . .				7
	17	Dependent personal services <sup>15, 24</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$20,000 p.a. <sup>30</sup> . . . . .	17
	18	Teaching <sup>4, 56</sup> . . . . .	2 years . . . . .	U.S. educational or research institution . . . . .	No limit . . . . .	20(1)
	19	Studying and training: <sup>10</sup>				
		Remittances or allowances . . . . .	No limit . . . . .	Any foreign resident . . . . .	No limit . . . . .	20(2)
		Compensation during study or training . . . . .	4 years . . . . .	Any U.S. or foreign resident . . . . .	\$9,000 p.a. . . . .	20(4)
		Compensation while gaining experience <sup>2</sup> . . . . .	1 year . . . . .	Any foreign resident . . . . .	\$10,000 <sup>28</sup> . . . . .	20(5)
Greece	16	Independent personal services . . . . .	183 days . . . . .	Greek resident contractor . . . . .	No limit . . . . .	X
			183 days . . . . .	Other foreign or U.S. resident contractor . . . . .	\$10,000 . . . . .	X
	17	Dependent personal services . . . . .	183 days . . . . .	Greek resident . . . . .	No limit . . . . .	X
			183 days . . . . .	Other foreign or U.S. resident . . . . .	\$10,000 . . . . .	X
	18	Teaching . . . . .	3 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	XII
	19	Studying and training: Remittances or allowances . . . . .	No limit . . . . .	Any foreign resident . . . . .	No limit . . . . .	XIII
Hungary	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	13
	17	Dependent personal services <sup>15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	14
	18	Teaching <sup>4</sup> . . . . .	2 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	17
	19	Studying and training: <sup>20</sup>				
		Remittances or allowances <sup>10</sup> . . . . .	No limit . . . . .	Any foreign resident . . . . .	No limit . . . . .	18(1)
Iceland	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	19(1)
	16	Independent personal services <sup>54</sup> . . . . .				7
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$20,000 p.a. <sup>25</sup> . . . . .	16
	19	Studying and training:				
		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	19(1)
		Compensation during study or training . . . . .	5 years . . . . .	Any U.S. or foreign resident . . . . .	\$9,000 p.a. . . . .	19(1)
		Compensation while gaining experience . . . . .	12 consec. mo. . . . .	Any U.S. or foreign resident <sup>2</sup> . . . . .	\$9,000 . . . . .	19(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$9,000 . . . . .	19(3)



Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
India	16	Independent personal services <sup>7, 22</sup>	89 days	Any contractor	No limit	15
	20	Public entertainment <sup>22</sup>	89 days	Any contractor	\$1,500 p.a. <sup>26</sup>	18
	17	Dependent personal services <sup>7, 15</sup>	183 days	Any foreign resident	No limit	16
	20	Public entertainment <sup>15</sup>	183 days	Any foreign resident	\$1,500 p.a. <sup>26</sup>	18
	18	Teaching <sup>4</sup>	2 years	U.S. educational institution	No limit	22
	19	Studying and training: Remittances or allowances	No limit	Any foreign resident <sup>27</sup>	No limit	21(1)
Indonesia	15	Scholarship and fellowship grant	5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	19(1)
	16	Independent personal services <sup>22</sup>	119 days	Any contractor	No limit	15
	20	Public entertainment <sup>43</sup>	No limit	Any contractor	\$2,000 p.a. <sup>25</sup>	17
	17	Dependent personal services <sup>15</sup>	119 days	Any foreign resident	No limit	16
	20	Public entertainment <sup>43</sup>	No limit	Any U.S. or foreign resident	\$2,000 p.a. <sup>25</sup>	17
	18	Teaching <sup>4, 30</sup>	2 years	U.S. educational institution	No limit	20
Ireland	16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	14
	20	Public entertainment	No limit	Any contractor	\$20,000 p.a. <sup>25</sup>	17
	17	Dependent personal services <sup>15, 23</sup>	183 days	Any foreign resident	No limit	15
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$20,000 p.a. <sup>25</sup>	17
	19	Studying and training: Remittances or allowances <sup>10</sup>	1 year <sup>11</sup>	Any foreign resident	No limit	20
Israel	15	Scholarship and fellowship grant	5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	24(1)
	16	Independent personal services	182 days	Any contractor	No limit	16
	20	Public entertainment	No limit	Any contractor	\$400 per day <sup>52</sup>	18
	17	Dependent personal services <sup>14, 15</sup>	182 days	Israeli resident	No limit	17
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$400 per day <sup>52</sup>	18
	18	Teaching <sup>4, 37</sup>	2 years	U.S. educational institution	No limit	23
	19	Studying and training: Remittances or allowances	5 years	Any foreign resident	No limit	24(1)
		Compensation during study or training	5 years	Any U.S. or foreign resident	\$3,000 p.a.	24(1)
		Compensation while gaining experience <sup>2</sup>	12 consec. mo.	Israeli resident	\$7,500	24(2)
		Compensation under U.S. Government program	1 year	U.S. Government or its contractor	\$10,000	24(3)
Italy (new treaty)	16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	14(1)
	20	Public entertainment	90 days	Any U.S. or foreign resident	\$20,000 p.a. <sup>25</sup>	17
	17	Dependent personal services <sup>15, 24</sup>	183 days	Any foreign resident	No limit	15(2)
	20	Public entertainment	90 days	Any U.S. or foreign resident	\$20,000 p.a. <sup>25</sup>	17
	18	Teaching or research <sup>4</sup>	2 years	Any U.S. or foreign resident <sup>8</sup>	No limit	20
	19	Studying and training: Remittances or allowances	No limit	Any foreign resident	No limit	21
Italy (old treaty)	16	Independent personal services <sup>7, 22</sup>	183 days	Any contractor	No limit	14
	20	Public entertainment	90 days	Any contractor	\$12,000 p.a. <sup>25</sup>	17(1)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	90 days . . . . .	Any U.S. or foreign resident . . . . .	\$12,000 p.a. <sup>25</sup> . . . . .	17(1)
	18	Teaching <sup>4</sup> . . . . .	2 years . . . . .	Any U.S. or foreign resident <sup>9</sup> . . . . .	No limit . . . . .	20
	19	Studying and training: Remittances or allowances . . . . .	No limit . . . . .	Any foreign resident . . . . .	No limit . . . . .	21
Jamaica	16	Independent personal services <sup>22</sup> . . . . .	89 days . . . . .	Any foreign contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	89 days . . . . .	Any U.S. contractor . . . . .	\$5,000 p.a. . . . .	14
			No limit . . . . .	Any contractor . . . . .	\$400 per day or \$5,000 p.a. <sup>6</sup> . . . . .	18
	17	Dependent personal services <sup>15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	\$5,000 p.a. . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$400 per day or \$5,000 p.a. <sup>6</sup> . . . . .	18
		Directors' fees . . . . .	No limit . . . . .	U.S. resident . . . . .	\$400 per day <sup>6</sup> . . . . .	16
	18	Teaching <sup>4, 30</sup> . . . . .	2 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	22
	19	Studying and training: <sup>20</sup> Remittances or allowances <sup>10</sup> . . . . .	No limit . . . . .	Any foreign resident . . . . .	No limit . . . . .	21(1)
		Compensation during study . . . . .	12 consec. mo. . . . .	Jamaican resident . . . . .	\$7,500 p.a. . . . .	21(2)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mo. . . . .	Jamaican resident . . . . .	\$7,500 p.a. . . . .	21(2)
Japan	16	Independent personal services <sup>54</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	\$10,000 p.a. <sup>25</sup> . . . . .	7
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$10,000 p.a. <sup>25</sup> . . . . .	16
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$10,000 p.a. <sup>25</sup> . . . . .	16
	18	Teaching or research <sup>4</sup> . . . . .	2 years . . . . .	Any U.S. educational institution . . . . .	No limit . . . . .	20
	19	Studying and training: Remittances or allowances . . . . .	1 year <sup>11</sup> . . . . .	Any foreign resident . . . . .	No limit . . . . .	19
Kazakhstan	15	Scholarship or fellowship grant <sup>44</sup> . . . . .	5 years <sup>31</sup> . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	19
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	19	Studying and training: <sup>4</sup> Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	19
Korea, South	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	21(1)
	16	Independent personal services <sup>22</sup> . . . . .	182 days . . . . .	Any contractor . . . . .	\$3,000 p.a. . . . .	18
	17	Dependent personal services <sup>15</sup> . . . . .	182 days . . . . .	Korean resident . . . . .	\$3,000 p.a. . . . .	19
	18	Teaching <sup>4</sup> . . . . .	2 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	20
	19	Studying and training: Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	21(1)
		Compensation during training . . . . .	5 years . . . . .	Any foreign or U.S. resident . . . . .	\$2,000 p.a. . . . .	21(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	1 year . . . . .	Korean resident . . . . .	\$5,000 . . . . .	21(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 . . . . .	21(3)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Latvia	15	Scholarship or fellowship grants <sup>4</sup> . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20(1)
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$20,000 <sup>30</sup> . . . . .	17
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$20,000 <sup>30</sup> . . . . .	17
	19	Studying and training:				
		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	20(1)
		Compensation during training . . . . .	12 consec. mos. . . . .	Latvian resident . . . . .	\$8,000 . . . . .	20(2)
			5 years . . . . .	Other foreign or U.S. resident . . . . .	\$5,000 p.a. . . . .	20(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mos. . . . .	Latvian resident . . . . .	\$8,000 . . . . .	20(2)
Lithuania		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 . . . . .	20(3)
	15	Scholarship or fellowship grants <sup>4</sup> . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20(1)
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$20,000 <sup>30</sup> . . . . .	17
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$20,000 <sup>30</sup> . . . . .	17
	19	Studying and training:				
		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	20(1)
		Compensation during training . . . . .	12 consec. mos. . . . .	Lithuanian resident . . . . .	\$8,000 . . . . .	20(2)
			5 years . . . . .	Other foreign or U.S. resident . . . . .	\$5,000 p.a. . . . .	20(1)
Luxembourg		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mos. . . . .	Lithuanian resident . . . . .	\$8,000 . . . . .	20(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 . . . . .	20(3)
	16	Independent personal services <sup>22</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$10,000 <sup>28</sup> . . . . .	18
	17	Dependent personal services <sup>15, 24</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	16
	20	Public entertainment . . . . .	No limit . . . . .	Any foreign resident . . . . .	\$10,000 <sup>28</sup> . . . . .	18
Mexico	18	Teaching or research <sup>8</sup> . . . . .	2 years . . . . .	Any U.S. or foreign resident . . . . .	No limit . . . . .	21(2)
	19	Studying and training:				
		Remittances or allowances <sup>10</sup> . . . . .	2 years <sup>11</sup> . . . . .	Any U.S. or foreign resident . . . . .	No limit . . . . .	21(1)
Morocco	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$3,000 p.a. <sup>30</sup> . . . . .	18
	17	Dependent personal services <sup>15, 23</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$3,000 p.a. <sup>30</sup> . . . . .	18
	19	Studying and training:				
Morocco		Remittances or allowances . . . . .	No limit . . . . .	Any foreign resident . . . . .	No limit . . . . .	21
	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	18
	16	Independent personal services <sup>12, 22</sup> . . . . .	182 days . . . . .	Any contractor . . . . .	\$5,000 . . . . .	14
	17	Dependent personal services <sup>12, 15</sup> . . . . .	182 days . . . . .	Moroccan resident <sup>16</sup> . . . . .	No limit . . . . .	15
	19	Studying and training:				
Morocco		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	18
		Compensation during training . . . . .	5 years . . . . .	U.S. or any foreign resident . . . . .	\$2,000 p.a. . . . .	18

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Netherlands	15	Scholarship or fellowship grant <sup>33</sup>	3 years	Any U.S. or foreign resident <sup>5</sup>	No limit	22(2)
	16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	15
	20	Public entertainment	No limit	Any contractor	\$10,000 p.a. <sup>25</sup>	18
	17	Dependent personal services <sup>15, 23</sup>	183 days	Any foreign resident	No limit	16
	20	Public entertainment	183 days	Any foreign resident	\$10,000 p.a. <sup>25</sup>	18
	18	Teaching <sup>4, 34</sup>	2 years	U.S. educational institution	No limit	21(1)
	19	Studying and training: <sup>33</sup>				
		Remittances or allowances	No limit	Any foreign resident	No limit	22(1)
		Compensation while gaining experience	No limit	Any U.S. or foreign resident	\$2,000 p.a.	22(1)
		Compensation while recipient of scholarship or fellowship grant	3 years	Any U.S. or foreign resident	\$2,000 p.a. <sup>36</sup>	22(2)
New Zealand	16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	14
	20	Public entertainment	183 days	Any contractor	\$10,000 <sup>25</sup>	17
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	15
	20	Public entertainment <sup>15</sup>	183 days	Any foreign resident	\$10,000 <sup>25</sup>	17
	19	Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	20
Norway	15	Scholarship or fellowship grant	5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	16(1)
	16	Independent personal services <sup>22</sup>	182 days	Any contractor	No limit	13
	20	Public entertainment	90 days	Any contractor	\$10,000 p.a.	13
	17	Dependent personal services	182 days	Norwegian resident <sup>16</sup>	No limit	14
	18	Teaching <sup>4</sup>	2 years	U.S. educational institution	No limit	15
	19	Studying and training:				
		Remittances or allowances	5 years	Any foreign resident	No limit	16(1)
		Compensation during training	5 years	U.S. or any foreign resident	\$2,000 p.a.	16(1)
		Compensation while gaining experience <sup>2</sup>	12 consec. mo.	Norwegian resident	\$5,000	16(2)
		Compensation under U.S. Government program	1 year	U.S. Government or its contractor	\$10,000	16(3)
Pakistan	15	Scholarship or fellowship grant	No limit	Pakistani nonprofit organization	No limit	XIII(1)
	16	Independent personal services <sup>14</sup>	183 days	Pakistani resident contractor	No limit	XI
	17	Dependent personal services <sup>14</sup>	183 days	Pakistani resident	No limit	XI
	18	Teaching	2 years	U.S. educational institution	No limit	XII
	19	Studying and training:				
		Remittances or allowances	No limit	Any foreign resident	No limit	XIII(1)
		Compensation during training	No limit	U.S. or any foreign resident	\$5,000 p.a.	XIII(1)
		Compensation while gaining experience <sup>2</sup>	1 year	Pakistani resident	\$6,000	XIII(2)
		Compensation while under U.S. Government program	No limit	U.S. Government, its contractor, or any foreign resident employer	\$10,000	XIII(3)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Philippines	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	22(1)
	16	Independent personal services <sup>22</sup> . . . . .	89 days . . . . .	Any foreign contractor . . . . .	No limit . . . . .	15
			89 days . . . . .	Any U.S. resident . . . . .	\$10,000 p.a. . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$100 per day or \$3,000 p.a. . . . .	17
	17	Dependent personal services <sup>15</sup> . . . . .	89 days . . . . .	Any Philippines resident <sup>16</sup> . . . . .	No limit . . . . .	16
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$100 per day or \$3,000 p.a. . . . .	17
	18	Teaching <sup>4, 38</sup> . . . . .	2 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	21
	19	Studying and training:				
		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	22(1)
		Compensation during study . . . . .	5 years . . . . .	Any U.S. or foreign resident . . . . .	\$3,000 p.a. . . . .	22(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mo. . . . .	Philippines resident . . . . .	\$7,500 p.a. . . . .	22(2)
Poland		Compensation while under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 p.a. . . . .	22(3)
	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	18(1)
	16	Independent personal services . . . . .	182 days . . . . .	Any contractor . . . . .	No limit . . . . .	15
	17	Dependent personal services <sup>15</sup> . . . . .	182 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	16
	18	Teaching <sup>4</sup> . . . . .	2 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	17
	19	Studying and training:				
		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	18(1)
		Compensation during training . . . . .	5 years . . . . .	U.S. or any foreign resident . . . . .	\$2,000 p.a. . . . .	18(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	1 year . . . . .	Polish resident . . . . .	\$5,000 . . . . .	18(2)
		Compensation while under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 . . . . .	18(3)
Portugal	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	23(1)
	16	Independent personal services <sup>22</sup> . . . . .	182 days . . . . .	Any contractor . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$10,000 p.a. <sup>30</sup> . . . . .	19
	17	Dependent personal services <sup>7, 15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	16
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$10,000 p.a. <sup>30</sup> . . . . .	19
	18	Teaching <sup>4, 41</sup> . . . . .	2 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	22
	19	Studying and training: <sup>4</sup>				
		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	23(1)
		Compensation during study or training . . . . .	12 consec. mos. . . . .	Portuguese resident . . . . .	\$8,000 . . . . .	23(2)
		Compensation while gaining experience <sup>2</sup> . . . . .	5 years . . . . .	Other foreign or U.S. resident . . . . .	\$5,000 p.a. . . . .	23(1)
			12 consec. mos. . . . .	Portuguese resident . . . . .	\$8,000 . . . . .	23(2)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Romania	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20(1)
	16	Independent personal services <sup>40</sup> . . . . .	182 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	90 days . . . . .	Any contractor . . . . .	\$3,000 . . . . .	14
	17	Dependent personal services <sup>15</sup> . . . . .	182 days . . . . .	Romanian resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	89 days . . . . .	Romanian resident . . . . .	\$2,999.99 . . . . .	15
	18	Teaching <sup>4</sup> . . . . .	2 years . . . . .	U.S. educational institution . . . . .	No limit . . . . .	19
	19	Studying and training:				
		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	20(1)
		Compensation during training . . . . .	5 years . . . . .	U.S. or any foreign resident . . . . .	\$2,000 p.a. . . . .	20(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	1 year . . . . .	Romanian resident . . . . .	\$5,000 . . . . .	20(2)
Russia		Compensation while under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 . . . . .	20(3)
	15	Scholarship or fellowship grant <sup>44</sup> . . . . .	5 years <sup>31</sup> . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	18
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	13
	17	Dependent personal services <sup>7, 15, 32</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	14
	19	Studying and training: <sup>4</sup> Remittances . . . . .	5 years <sup>31</sup> . . . . .	Any foreign resident . . . . .	No limit . . . . .	18
Slovak Republic	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	21(1)
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	183 days . . . . .	Any contractor . . . . .	\$20,000 p.a. <sup>30</sup> . . . . .	18
	17	Dependent personal services <sup>15, 24</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	183 days . . . . .	Any foreign resident . . . . .	\$20,000 p.a. <sup>30</sup> . . . . .	18
	18	Teaching <sup>4, 35</sup> . . . . .	2 years . . . . .	Any U.S. educational or research institution . . . . .	No limit . . . . .	21(5)
	19	Studying and training:				
		Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	21(1)
		Compensation during training . . . . .	5 years . . . . .	Any U.S. or any foreign resident . . . . .	\$5,000 p.a. . . . .	21(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mos. . . . .	Slovak resident . . . . .	\$8,000 . . . . .	21(2)
Slovenia		Compensation while under U.S. Government program . . . . .	1 year . . . . .	U.S. Government . . . . .	\$10,000 . . . . .	21(3)
	15	Scholarship or fellowship grant <sup>4</sup> . . . . .	5 years <sup>47</sup> . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20(1)
	16	Independent personal services <sup>22</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$15,000 p.a. <sup>51</sup> . . . . .	17
	17	Dependent personal services <sup>15, 24</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$15,000 p.a. <sup>51</sup> . . . . .	17
	18	Teaching or research <sup>4</sup> . . . . .	2 years <sup>48</sup> . . . . .	Any U.S. or foreign resident . . . . .	No limit . . . . .	20(3)
	19	Studying and training: <sup>4</sup>				
		Remittances or allowances . . . . .	5 years <sup>47</sup> . . . . .	Any foreign resident . . . . .	No limit . . . . .	20(1)
		Compensation during training . . . . .	12 mos. . . . .	Slovenian resident . . . . .	\$8,000 . . . . .	20(2)
		Compensation while gaining experience <sup>2</sup> . . . . .	5 years <sup>47</sup> . . . . .	Other foreign or U.S. resident . . . . .	\$5,000 p.a. . . . .	20(1)
			12 mos. . . . .	Slovenian resident . . . . .	\$8,000 . . . . .	20(2)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
South Africa	16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	14
	20	Public entertainment	No limit	Any contractor	\$7,500 <sup>30</sup>	17
	17	Dependent personal services <sup>15, 24</sup>	183 days	Any foreign resident	No limit	15
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$7,500 <sup>30</sup>	17
	19	Studying and training: Remittances or allowances <sup>10</sup>	1 year <sup>11</sup>	Any foreign resident	No limit	20
Spain	15	Scholarship or fellowship grant	5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	22(1)
	16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	15
	20	Public entertainment	No limit	Any contractor	\$10,000 p.a. <sup>30</sup>	19
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	16
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$10,000 p.a. <sup>30</sup>	19
	19	Studying and training: <sup>4</sup> Remittances or allowances	5 years	Any foreign resident	No limit	22(1)
		Compensation during training	5 years	Any U.S. or foreign resident	\$5,000 p.a.	22(1)
Sri Lanka	16	Independent personal services <sup>22, 24</sup>	183 days	Any contractor	No limit	15
	20	Public entertainment <sup>22</sup>	183 days	Any contractor	\$6,000 p.a. <sup>51</sup>	18
	17	Dependent personal services <sup>15, 24</sup>	183 days	Any foreign resident	No limit	16
	20	Public entertainment <sup>15</sup>	183 days	Any foreign resident	\$6,000 p.a. <sup>51</sup>	18
	19	Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	21(1)
Sweden	16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	14
	20	Public entertainment	No limit	Any contractor	\$6,000 <sup>42</sup>	18
	17	Dependent personal services <sup>15, 23</sup>	183 days	Any foreign resident	No limit	15
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$6,000 <sup>42</sup>	18
	19	Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	21
Switzerland	16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	14
	20	Public entertainment	No limit	Any contractor	\$10,000 <sup>25</sup>	17
	17	Dependent personal services <sup>7, 15</sup>	183 days	Any foreign resident	No limit	15
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$10,000 <sup>25</sup>	17
	19	Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	20

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Thailand	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	22(1)
	16	Independent personal services <sup>22</sup> . . . . .	89 days . . . . .	Any U.S. resident . . . . .	\$10,000 . . . . .	15
			89 days . . . . .	Any foreign contractor . . . . .	No limit <sup>45</sup> . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$100 per day or \$3,000 p.a. <sup>9</sup> . . . . .	19
	17	Dependent personal services <sup>15, 23</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	16
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$100 per day or \$3,000 p.a. <sup>9</sup> . . . . .	19
	18	Teaching or research <sup>4, 36</sup> . . . . .	2 years . . . . .	Any U.S. or foreign resident . . . . .	No limit . . . . .	23
	19	Studying and training: Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	22(1)
		Compensation during training . . . . .	5 years . . . . .	Any U.S. or foreign resident . . . . .	\$3,000 p.a. . . . .	22(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	12 consec. mos. . . . .	Thai resident . . . . .	\$7,500 . . . . .	22(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government . . . . .	\$10,000 . . . . .	22(3)
Trinidad and Tobago	15	Scholarship or fellowship grant . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	19(1)
	16	Independent personal services <sup>13</sup> . . . . .	183 days . . . . .	Any foreign resident contractor . . . . .	No limit . . . . .	17
			183 days . . . . .	Any U.S. contractor . . . . .	\$3,000 <sup>6</sup> . . . . .	17
	17	Dependent personal services <sup>13</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	17
			183 days . . . . .	Any U.S. resident . . . . .	\$3,000 <sup>6</sup> . . . . .	17
	18	Teaching <sup>4</sup> . . . . .	2 years . . . . .	U.S. educational institution or U.S. Government . . . . .	No limit . . . . .	18
	19	Studying and training: Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	19(1)
		Compensation during training . . . . .	5 years . . . . .	U.S. or any foreign resident . . . . .	\$2,000 p.a. <sup>6</sup> . . . . .	19(1)
		Compensation during professional training . . . . .	5 years . . . . .	U.S. or any foreign resident . . . . .	\$5,000 p.a. <sup>6</sup> . . . . .	19(1)
		Compensation while gaining experience <sup>2</sup> . . . . .	1 year . . . . .	Trinidad—Tobago resident . . . . .	\$5,000 <sup>6</sup> . . . . .	19(2)
		Compensation under U.S. Government program . . . . .	1 year . . . . .	U.S. Government or its contractor . . . . .	\$10,000 <sup>6</sup> . . . . .	19(3)
Tunisia	15	Scholarship and fellowship grant <sup>10</sup> . . . . .	5 years . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20
	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	U.S. resident contractor . . . . .	\$7,500 p.a. . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$7,500 p.a. <sup>25</sup> . . . . .	17
	17	Dependent personal services <sup>15</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$7,500 p.a. <sup>25</sup> . . . . .	17
	19	Studying and training: <sup>10</sup> Remittances or allowances . . . . .	5 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	20
		Compensation during training . . . . .	5 years . . . . .	Any U.S. or foreign resident . . . . .	\$4,000 p.a. . . . .	20
Turkey	16	Independent personal services <sup>22</sup> . . . . .	183 days . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment <sup>46</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	\$3,000 <sup>53</sup> . . . . .	17
	17	Dependent personal services <sup>15, 24</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment <sup>46</sup> . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$3,000 <sup>53</sup> . . . . .	17
	18	Teaching or research . . . . .	2 years . . . . .	Any foreign resident . . . . .	No limit . . . . .	20(2)
	19	Studying and training: Remittances or allowances <sup>10</sup> . . . . .	No limit . . . . .	Any foreign resident . . . . .	No limit . . . . .	20(1)



Country (1)	Code <sup>1</sup> (2)	Category of Personal Services	Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)				
Ukraine	15	Scholarship or fellowship grant <sup>44</sup> . . . . .	5 years <sup>31</sup> . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	20
	16	Independent personal services <sup>22, 50</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	No limit . . . . .	14
	17	Dependent personal services <sup>15, 23, 50</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	19	Studying and training: Remittances or allowances <sup>10</sup> . . . . .	5 years <sup>31</sup> . . . . .	Any foreign resident . . . . .	No limit . . . . .	20
United Kingdom	16	Independent personal services <sup>7, 54</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	\$20,000 p.a. <sup>25</sup> . . . . .	7
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$20,000 p.a. <sup>25</sup> . . . . .	16
	17	Dependent personal services <sup>15, 24</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$20,000 p.a. <sup>25</sup> . . . . .	16
	18	Teaching or research <sup>4</sup> . . . . .	2 years . . . . .	Any U.S. educational institution . . . . .	No limit . . . . .	20A
Venezuela	19	Studying and training: Remittances or allowances <sup>10</sup> . . . . .	No limit <sup>57</sup> . . . . .	Any foreign resident . . . . .	No limit . . . . .	20
	15	Scholarship or fellowship grants <sup>4</sup> . . . . .	5 years <sup>47</sup> . . . . .	Any U.S. or foreign resident <sup>5</sup> . . . . .	No limit . . . . .	21(1)
	16	Independent personal services <sup>22, 24</sup> . . . . .	No limit . . . . .	Any contractor . . . . .	No limit . . . . .	14
	20	Public entertainment . . . . .	No limit . . . . .	Any contractor . . . . .	\$6,000 <sup>30</sup> . . . . .	18
	17	Dependent personal services <sup>15, 24</sup> . . . . .	183 days . . . . .	Any foreign resident . . . . .	No limit . . . . .	15
	20	Public entertainment . . . . .	No limit . . . . .	Any U.S. or foreign resident . . . . .	\$6,000 <sup>30</sup> . . . . .	18
	18	Teaching <sup>4</sup> . . . . .	2 years <sup>48</sup> . . . . .	Any U.S. or foreign resident . . . . .	No limit . . . . .	21(3)
	19	Studying and training: <sup>4</sup> Remittances or allowances . . . . .	5 years <sup>47</sup> . . . . .	Any foreign resident . . . . .	No limit . . . . .	21(1)
		Compensation during training . . . . .	12 mos. . . . .	Venezuelan resident . . . . .	\$8,000 . . . . .	21(2)
		Compensation while gaining experience <sup>2</sup> . . . . .	5 years <sup>47</sup> . . . . .	Other foreign or U.S. resident . . . . .	\$5,000 p.a. . . . .	21(1)
			12 mos. . . . .	Venezuelan resident . . . . .	\$8,000 . . . . .	21(2)

**Note:** Some of the treaties with "No Limit" to the maximum presence in the U.S. do not extend treaty benefits to individuals who are residents of the U.S. Individuals who are in the U.S. on a non-J visa and who are paid an honorarium will be treated as U.S. residents once they are in the U.S. for at least 183 days. Therefore, even though the treaty provision may not impose a maximum presence limit, as a practical matter, once the person is in the U.S. for 183 days, he will be treated as a resident alien and will not be eligible for the tax treaty exemption.

**IMPORTANT NOTICE:**

Due to the constant review of existing treaties plus the addition of new treaties, you should refer to the Internal Revenue Service website and the most current IRS Publication 901, *U.S. Tax Treaties* to confirm treaty status is still valid.

- 1 Refers to income code numbers under which the income is reported on Forms 1042-S. Personal services must be performed by a nonresident alien individual who is a resident of the specified treaty country.
- 2 Applies only if training or experience is received from a person other than alien's employer.
- 3 Employment with a team which participates in a league with regularly scheduled games in both countries is covered under the provisions for dependent personal services.
- 4 Does not apply to compensation for research work primarily for private benefit.
- 5 Grant must be from a nonprofit organization. In many cases, the exemption also applies to amounts from either the U.S. or foreign government. For Indonesia and the Netherlands, the exemption also applies if the amount is awarded under a technical assistance program entered into by the United States or the foreign government, or its political subdivisions or local authorities.
- 6 Reimbursed expenses are not taken into account in figuring any maximum compensation to which the exemption applies. For Japan and Trinidad and Tobago, only reimbursed travel expenses are disregarded in figuring the maximum compensation.
- 7 Does not apply to fees paid to a director of a U.S. corporation.
- 8 Does not apply to compensation for research work for other than the U.S. educational institution (or medical facility that is primarily publicly funded in the case of Italy) involved.
- 9 Exemption does not apply if gross receipts exceed this amount. Income is fully exempt if visit to the United States is substantially supported by public funds of the treaty country or its political subdivisions or local authorities.
- 10 Applies only to full-time student or trainee.
- 11 The time limit pertains only to an apprentice or business trainee.
- 12 Does not apply to compensation paid to public entertainers (actors, artists, musicians, athletes, etc.).
- 13 Does not apply to compensation paid to public entertainers that is more than \$100 a day.
- 14 Exemption applies only if the compensation is subject to tax in the country of residence.
- 15 The exemption does not apply if the employee's compensation is borne by a permanent establishment (or in some cases a fixed base) that the employer has in the United States.
- 16 The exemption also applies if the employer is a permanent establishment in the treaty country but is not a resident of the treaty country.
- 17 This exemption does not apply in certain cases if the employee is a substantial owner of that employer and the employer is engaged in certain defined activities.
- 18 The exemption is also extended to journalists and correspondents who are temporarily in the U.S. for periods not longer than 2 years and who receive compensation from abroad.
- 19 Also exempt are amounts of up to \$10,000 received from U.S. sources to provide ordinary living expenses. For students, the amount will be less than \$10,000, determined on a case by case basis.
- 20 A student or trainee may choose to be treated as a U.S. resident for tax purposes. If the choice is made, it may not be changed without the consent of the U.S. competent authority.
- 21 Amounts received in excess of a reasonable fixed amount payable to all directors for attending meetings in the United States are taxable.
- 22 Exemption does not apply to the extent income is attributable to the recipient's fixed U.S. base. For residents of Korea and Norway, the fixed base must be maintained for more than 182 days; for residents of Morocco, the fixed base must be maintained for more than 89 days.
- 23 Fees paid to a resident of the treaty country for services as a director of a U.S. corporation are subject to U.S. tax, unless the services are performed in the country of residence.
- 24 Fees paid to a resident of the treaty country for services performed in the United States as a director of a U.S. corporation are subject to U.S. tax.
- 25 Exemption does not apply if gross receipts (including reimbursements) exceed this amount.
- 26 Exemption does not apply if net income exceeds this amount.
- 27 Exemption does not apply to payments borne by a permanent establishment in the United States or paid by a U.S. citizen or resident or the federal, state, or local government.
- 28 Exemption does not apply if compensation exceeds this amount.
- 29 The exemption applies only to income from activities performed under special cultural exchange programs agreed to by the U.S. and Chinese governments.
- 30 Exemption does not apply if gross receipts (or compensation for Portugal), including reimbursements, exceed this amount. Income is fully exempt if visit to the United States is substantially supported by public funds of the treaty country or its political subdivisions or local authorities.
- 31 The 5-year limit pertains only to training or research.
- 32 Compensation from employment directly connected with a place of business that is not a permanent establishment is exempt if the alien is present in the United States for a period not exceeding 12 consecutive months. Compensation for technical services directly connected with the application of a right or property giving rise to a royalty is exempt if the services are provided as part of a contract granting the use of the right or property.
- 33 Exemption does not apply if, during the immediately preceding period, the individual claimed the benefits of Article 21.
- 34 Exemption does not apply if, during the immediately preceding period, the individual claimed the benefits of Article 22.
- 35 Exemption does not apply if the individual either (a) claimed the benefit of Article 21(5) during a previous visit, or (b) during the immediately preceding period, claimed the benefit of Article 21(1), (2), or (3).
- 36 Exemption applies only to compensation for personal services performed in connection with, or incidental to, the individual's study, research, or training.
- 37 Exemption does not apply if, during the immediately preceding period, the individual claimed the benefits of Article 24(1).
- 38 Exemption does not apply if, during the immediately preceding period, the individual claimed the benefits of Article 22(1).
- 39 Exemption does not apply if the individual previously claimed the benefit of this Article.
- 40 The combined period of benefits under Articles 20 and 21(1) cannot exceed 5 years.
- 41 Exemption does not apply if the individual either (a) previously claimed the benefit of this Article, or (b) during the immediately preceding period, claimed the benefit of Article 23. The benefits under Articles 22 and 23 cannot be claimed at the same time.
- 42 Exemption does not apply if gross receipts (including reimbursements) exceed this amount during any 12-month period.
- 43 This provision does not apply if the competent authority of the treaty country certifies that the visit is substantially supported by that treaty country.
- 44 Applies to grants, allowances, and other similar payments received for studying or doing research.
- 45 A \$10,000 limit applies if the expense is borne by a permanent establishment or a fixed base in the United States.
- 46 This provision does not apply if these activities are substantially supported by a nonprofit organization or by public funds of the treaty country or its political subdivisions or local authorities.
- 47 Applies to any additional period that a full-time student needs to complete the educational requirements as a candidate for a postgraduate or professional degree from a recognized educational institution.
- 48 The combined benefit for teaching cannot exceed 5 years.
- 49 Exemption does not apply if the recipient maintains a permanent establishment in the U.S. with which the income is effectively connected.
- 50 The exemption does not apply to income received for performing services in the United States as an entertainer or a sportsman. However, this income is exempt for U.S. income tax if the visit is (a) substantially supported by public funds of Ukraine, its political subdivisions, or local authorities, or (b) made under a specific arrangement agreed to by the governments of the treaty countries.
- 51 Exemption does not apply if gross receipts, including reimbursements, exceed this amount during the year. Income is fully exempt if visit is wholly or mainly supported by public funds of one or both of the treaty countries or their political subdivisions or local authorities.
- 52 If the compensation exceeds \$400 per day, the entertainer may be taxed on the full amount. If the individual receives a fixed amount for more than one performance, the amount is prorated over the number of days the individual performs the services (including rehearsals).
- 53 Exemption does not apply if gross receipts exceed this amount.
- 54 Treated as business profits under Article 7 (VII) of the treaty.
- 55 Applies also to a participant in a program sponsored by the U.S. Government or an international organization.
- 56 Exemption does not apply if during the immediately preceding period, the individual claimed the benefit of Article 20(2), (3), or (4).
- 57 Exemption applies to a business apprentice (trainee) only for a period not exceeding 1 year (2 years for Belgium and Bulgaria) from the date of arrival in the United States.

## APPENDIX XI

### Income Subject to the Federal Insurance Contribution Act (FICA) Taxes

In general, U.S. social security and Medicare taxes apply to payments of wages for services performed as an employee in the United States, regardless of the citizenship or residence of the employee or employer. In limited situations, these taxes apply to wages for services performed outside the United States. These taxes are required for wages of employment as defined by Section 3121 of the Internal Revenue Code. These taxes are not voluntary so contributions cannot be made if no taxes are due.

For individuals in an alien status, the Internal Revenue Code does exempt one group's wages from social security and Medicare taxes in Section 3121(b) (19):

**The NRA FICA Exception-** Service which is performed by a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F), (J), (M), or (Q) of section 101(a)(15) of the Immigration and Nationality Act, as amended, and which is performed to carry out the purpose specified in subparagraph (F), (J), (M), or (Q) as the case may be;

Translation: Individuals who are on a F, J, M, or Q visa and in compliance with the terms of their visa are exempt from FICA taxes while they are in nonresident tax status. Nonresident status means they have not passed the substantial presence test. Important Note: The exemption is only permitted during the years, the F, J, M, or Q visa holder is in a nonresident tax status for the entire year. If they pass the substantial presence test during the year, their wages are subject to the FICA taxes from the beginning of the calendar year they changed.

**Students-** For individuals who are in student status, this nonresident period consists of either the first five (5) years as a student when the days do not count towards the substantial presence test or their countable days have not passed 183 days in the sixth year. J-1 Students who fail to meet the conditions for the NRA FICA Exception because they become RAs are still potentially eligible for the Student FICA Exception for on-campus employment:

**The Student FICA Exception-**Section 3121 (b) (10) of the Code provides an exception from FICA tax for students who are employed by a school, college, or university or a Section 509(a) (3) affiliate. The exception applies regardless of type of institution-private or public, tax-exempt or for-profit. The exception does not require that students be a U.S. citizen in order to qualify for the FICA tax exemption. Therefore, J-1 Students, whether their residency status is resident or nonresident, are potentially eligible for the Student FICA Exception under the same rules that apply to students who are citizens. To qualify for the Student FICA Exception, students must be enrolled and attending classes at least half-time at the institution. In order for their employment to qualify for the exception from FICA tax, it must be incident to and for the purpose of pursuing a course of study at the employer institution. Therefore, full-time employment **does not** qualify for the Student FICA Exception. Generally, student employment during school vacations when students may work full-time is not covered by the Student FICA Exception. The exception applies **only** to work performed for the institution at which the student is enrolled.

**Nonstudents-** For individuals on a J or Q visa, this nonresident period is either during the two years when the days do not count towards the substantial presence test out of seven years (current and six years prior) or their countable days has not exceeded the 183 days.

### **Social Security Totalization Agreements**

The federal government has entered into bilateral social security agreements with a number of different foreign countries. As of 2006, agreements are in effect with the following countries: Australia, Austria, Belgium, Canada, Chile, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea (South), Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

These bilateral agreements, which are sometimes called "Totalization" agreements, eliminate dual social security coverage, the situation that occurs when an employee from one country works in another country and is required to pay social security taxes--together with the employer--to both countries on the same earnings. A Totalization agreement assigns coverage to just one country and exempts the employer and employee from social security taxes in the other country. There are two situations in which an employee may be covered under another country's social security system:

- The employee is sent to work temporarily for an organization by a foreign employer that is an affiliate of that organization and is covered under the detached worker rule of an applicable Totalization Agreement.
- The employee is making voluntary social security payments into the foreign country's social security system on the wages they are earning in the U.S.

In both situations, coverage by another country under a Totalization Agreement must be supported by a Certificate of Coverage that the Social Security agency of the other country has issued as evidence that the employee is covered by (and paying into) that country's Social Security system.

### **Reporting Social Security Tax Withholding**

Social security and Medicare taxes as well as the income subject to social security and Medicare taxes are reported on the Form W-2, *Wage and Tax Statement*.

## APPENDIX XII

### End of Year Reporting for the Withholding Agent

The annual tax reporting statements for reportable alien payments are listed below.

#### Form W-2 Wage and Tax Statement

Wages, tips, and other compensation paid to resident and nonresident alien employees that are subject to income and/or FICA taxes are reported on Form W-2, Wage and Tax Statement. The payments are processed in the same manner as such payments made to U.S. citizens.

#### Form 1099 Miscellaneous Income

Payments for consulting fees, guest speaker fees, honoraria, awards and prizes made to resident alien independent contractors are reported on Form 1099.

#### Form 1042-S Foreign Person's U.S. Source Income Subject to Withholding

IRS tax regulations require that certain payments be reported to the nonresident alien recipients after each calendar year on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. Form 1042-S is issued to nonresident aliens in the following categories:

- Employees using a tax treaty for withholding exemption
- Independent contractors
- Scholarship/fellowship recipients who receive nonqualified scholarship money

#### Form 1042 Annual Withholding Tax Return for U.S. Source Income of Foreign Persons

Form 1042 is used to report the federal government income and income tax withheld on payments made to nonresident aliens and resident aliens who used tax treaty benefits. The gross income and taxes withheld (if any) must be reported on a Form 1042-S information return filed with the IRS and sent to the recipient by March 15<sup>th</sup> of the calendar year following payment.

- Payers filing 250 or more Forms 1042-S must submit them electronically through the IRS Filing Information Returns Electronically (FIRE) systems. Payers issuing Form(s) 1042-S must also submit a Form 1042 tax return even if they did not withhold taxes from the payments. Failure to report timely and accurately can result in penalties and interest.
- The IRS prescribes when deposits of NRA withholdings are required in IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, which must be made by using the Electronic Federal Tax Payment system (EFTPS) after 2009. A payer who fails to make a required deposit of withheld taxes within the time prescribed is liable for a penalty on the underpayment (i.e., the excess of the required deposit over any actual timely deposit for the period).

U.S. SOURCE WITHHOLDING ON FOREIGN PERSONS	
Amount of Deposit (Withholding)	IRS Deposit Requirements
Less than \$200	Annually with 1042T filing ( March 15)
Between \$200 and Less than \$2,000	Within 15 days after the end of the month
\$2,000 or greater	Within 3 banking days

- The Penalty rate is based on the number of days that the deposit is late:
  - 1 to 5 days late – 2 percent;
  - 6 to 15 days late – 5 percent; or
  - 16 or more days late – 10 percent.
- If the late deposit is not made within 10 days after the IRS issues the first notice demanding payment, the penalty is 15 percent.

- **APPENDIX XIII**

**Forms, Publications, and References**

**State of North Carolina**

- ***Foreign National Information Form***, is to be prepared by nonresident alien individuals and submitted with each voucher and other documentation for payments to nonresident alien independent contractors. (Refer to Appendix IV)`
- **Certificate of Academic Activity** (Refer to Appendix XIV)
- **Form NC-4, Employee's Withholding Allowance Certificate [State]**. Used as the basis for calculating state income tax withholding from pay.

**U.S. and Naturalization Service Forms and Documents**

- ***Employer Information Bulletin 96-08: Employee or Independent Contractor***, provides information on how to identify an independent contractor for INS purposes.
- ***Electronic Federal Tax Payment System (EFTPS)***, required to make electronic deposits of all depository tax liabilities you incur after 2009. To Participate in EFTPS, you must first enroll. To receive an enrollment form, call 1-800-555-4477, or [www.eftps.gov](http://www.eftps.gov). Publication 966.
- ***Form DS-2019, Certificate of Eligibility for Exchange Visitor (J-1) Status***, required for nonimmigrant exchange visitors.
- ***Form I-151, Alien Registration Card*** (Green Card) replaced effective March 20, 1996 with the I-551.
- ***Form I-9, Employment Eligibility Verification***, must be completed by each worker and is used by the agency to determine the worker's citizenship status, employment authorization and identification and registration numbers.
- ***Form I-20, Certificate of Eligibility for Nonimmigrant (F-1) Student Status***, is to be completed by an official of the school attended by the F-1 holder. The form is a certification concerning the educational program and financial support of the student.
- ***Form I-551, Alien Registration Receipt Card***, issued by the Immigration and Naturalization Service, is the official document to identify permanent resident aliens.
- ***I-94 Card, Departure Record***, issued to non-immigrant aliens upon arrival in the U.S. The departure record contains the alien's name, country of citizenship, date of birth, visa type and the date through which the alien may stay. Changes in the alien's status, extensions of stay and eligibility for employment may be noted.
- ***Visa***, an official endorsement of a passport indicating the owner has permission to enter or cross a particular country. The visa type further identifies the primary purpose of the visit and relates to a section of law. In most instances, the section of law refers to the Immigration and Nationality Act. Nonimmigrant visas have one letter and one number or one letter. Immigrant visas have either two letters and one number or one letter and two numbers, and the holders are classified as resident aliens.

## **Internal Revenue Service Forms and Publications**

- **Form 1042-S, Foreign Person's United States Source Income Subject to Withholding**, is prepared by the state agency, university, or community college business offices to record compensation exempt under tax treaty, honoraria, and amounts for qualified and nonqualified fellowships, paid to nonresident alien employees and independent contractors.
- **Form 8233, Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual**, is required to be completed by the nonresident alien when he or she claims a treaty exemption. The agency or college is responsible for monitoring the tax treaty benefit eligibility period for each individual who has filed a Form 8233.
- **Form W-4, Employee's Withholding Allowance Certificate [Federal]**. Used as the basis for calculating federal income tax withholding from pay.
- **Form W-7, Application for IRS Individual Tax Identification Number, (ITIN)**, is for individuals not otherwise eligible to receive a social security number. The IRS issues individual taxpayer identification numbers (ITINs) to individuals who have a U.S. tax administration purpose requiring a taxpayer identification number (TIN) but who are not authorized to work in the U.S. and therefore, are not eligible to obtain a SSN.
- **Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding**, a statement of nonresident alien tax status.
- **Form W-9, Request for Taxpayer Identification Number and Certification**, a statement of resident alien tax status.
- **IRS Publication 15, Employer's Tax Guide**
- **IRS Publication 15A, Employer's Supplemental Tax Guide**
- **IRS Publication 515, Withholding of Tax on Non-resident Aliens and Foreign Corporations**
- **IRS Publication 519, U.S. Tax Guide for Aliens**
- **IRS Publication 520, Scholarships and Fellowships**
- **IRS Publication 570, Tax Guide for Individuals With Income From U.S. Possessions**
- **IRS Publication 597, Information on the United States--Canada Income Tax Treaty**
- **IRS Publication 901, United States Tax Treaties**
- **IRS Publication 1542, Per Diem Rates**
- **IRS Publication 1915, Understanding Your IRS Individual Taxpayer Identification Number**



**IRS forms and publications may be ordered:**

**By Phone** 1-800-829-3676  
**By Mail** IRS FORMS DISTRIBUTION CENTER  
EASTERN AREA DISTRIBUTION CENTER  
POST OFFICE BOX 85074  
RICHMOND VA 23261-5074

**With a Computer** Download them from the IRS web site <http://www.irs.gov>

**Social Security Administration Forms**

**Form SS-5, *Application for Social Security Card***, is required to be completed and submitted to the Social Security Administration by eligible individuals. Generally, only foreign nationals who are authorized to work under the U.S. immigration laws are eligible to apply for an SSN. Additional forms may be obtained from your local Social Security Office, ordered by calling 1-800-772-1213 or at <http://www.ssa.gov>.

**Reference Sources**

- The Florida Nonresident Alien Taxation Handbook, [http://www.fldfs.com/aadir/bosp/nra\\_e.htm](http://www.fldfs.com/aadir/bosp/nra_e.htm)
- The University of North Carolina – Chapel Hill, Payroll Services Handbook, <http://www.ais.unc.edu/busman/pay/paysc.html>,
- *Handbook for Employers*, Booklet M-274, U.S. Immigration and Naturalization Service
- Lowell G. Hancock, Issue Specialist, Internal Revenue Service, International, Foreign Payments Division
- *Immigration Procedures Handbook*, Fragomen, Austin T., Jr., Del Rey, Alfred J., Jr., and Bell, Steven C., Clark Boardman Callagan, 1997.
- *Immigration Law Report*, U.S. Taxation of Foreign Students and Scholars, Singer, Paula N. Vol I. 15, No. 8, April 15, 1996 <http://www.windstar-tech.com/>
- *Travel Expenses, A View from the Crow's Next*, Singer, Paula N. Vol. 6, No. 4, July/August 2009 <http://www.windstar-tech.com/>
- Internal Revenue Code
- Internal Revenue Publications, <http://www.irs.gov/formspubs/index.html>
- Manual from Nonresident Alien Tax Compliance Immigration Workshop in Washington, D.C., September 11, 1996, written by Eleanor Pelta and Laura Fotte Reiff, immigration attorneys
- *Nonresident Alien Tax Compliance: A Guide for Institutions Making Payments to Foreign Students Employees, and Other International Visitors*, Kepley, Donna E., Arctic International, 2000, Washington, D.C. <http://www.arcticintl.com/>



- Siskind's Immigration Bulletin, <http://www.visalaw.com/>
- U.S. Treasury Regulations
- U.S. Citizen and Immigration Services Web Site, <http://uscis.gov/graphics/index.htm>
- United States Information Agency, <http://dosfan.lib.uic.edu/usia/>

**APPENDIX XIV**

**Certificate of Academic Activity**

**Compliance Statement for the American Competitiveness and Workforce Improvement Act,  
Section 431**

I, <<INSERT NAME>> have performed the compensated activities for honoraria payment. These activities occurred for 9 days or less while at <<INSERT NAME OF STATE ENTITY>>.

I also have not been compensated by more than 5 other entities in the United States during the previous 6 months.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

SSN or ITIN: \_\_\_\_\_

Our department, <<INSERT DEPARTMENT NAME>> is sponsoring, <<INSERT NAME>> at, <<INSERT NAME OF STATE ENTITY>> and the activities he is being compensated for fall within the broad realm of customary academic activities associated with teaching, research, public service, or academic administration or operations.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_